

BUSINESS WEEK

JUNE 28, 1947



WEEK
AGO



YEAR
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For Management's Guide to the Taft Law, see page 15

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JUN 29 1947



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WASHINGTON OUTLOOK

SERVICE

IN LABOR RELATIONS, the job now is to make the Taft-Hartley labor curbs law work (page 15).

It's a job primarily for seven men—the five NLRB, its independent general counsel, the mediation service director.

NLRB pledges itself to the task—to dropping open hostility.

G.O.P. leaders in Congress—who successfully led the bill into law over Truman's veto—are highly skeptical. But they'll wait and see—and watch closely through a Senate-House committee ably headed by Sen. Joe Ball.

Only three of the seven chief administrators of law are yet on the job.

These three are holdovers on NLRB—Chairman Herzog, former Rep. John Houston, and James Reynolds, Jr. Reynolds has been a frequent dissenter on the right-wing; several of his dissents are in the law.

Truman must name the two new NLRB members, the mediation chief and NLRB counsel. The latter will replace Gerhard P. Van Arkel, who quit rather than attempt to administer a law which he opposed.

Names being mentioned for the board posts include: Cy Ching of U. S. Rubber and formerly of Labor Board (he probably won't want it); Ex-actor Bob LaFollette; Thomas C. Shroyer, one-time Cleveland regional NLRB lawyer and a co-author of the new law; Alvin Rockwell, former NLRB general counsel now with Gen. Clay in Germany.

Ex-Gov. Ellis Arnall of Georgia is a possibility for the counsel job. Gerard Reilly—who helped write the law—won't take it.

There's likely to be a bitter fight over Senate confirmation of these appointees, particularly the NLRB counsel—he's the key man in the new setup.

Enforcement of the new labor law isn't going to be easy.

Big labor is bitterly unreconciled; it will force its all along the line.

And coal miners this week showed their contempt by walking out of the pits days ahead of their scheduled vacation. At least technically, their action made Lewis' union subject to damage suits by their employer—but the government won't sue.

Big question: Would the miners go back to work at vacation's end July 7? (Negotiation of a

contract between Lewis and the operators—not the new law—will determine that.)

And if not, would the emergency injunction provision of the new law get them back?

Legal challenges of various parts of the new labor law will take years to decide.

But the Supreme Court this week gave indirect sanction to one section—the ban on featherbedding practices imposed by unions.

The court upheld, 5-3, constitutionality of the Lea act which prohibits music czar Petrillo from forcing radio stations to hire more workers than they want.

TREASURY PROCUREMENT wants to standardize government identification on components and parts for munitions and equipment.

It expects to take its case to House Appropriations Committee, ask for funds to set up a super-catalog.

Argument: Agencies now are buying many of the same items War Assets is selling at cut prices. Also, during the war combat units suffered losses while waiting for components they already had—but differently labeled.

SUPREME COURT'S DECISION in the California tidelands case settles that the U. S. owns title to the three-mile ocean belt around the nation.

Now it's up to Congress to decide:

(1) Whether to keep title or give it to the states (a quit-claim law was passed last year but Truman vetoed it).

(2) If title is to stay with the U. S., what to do about existing state-issued permits—particularly oil leases—for exploitation of the lands.

Congress won't tackle the tidelands problem at this session.

Another quit-claim bill would simply be vetoed again. And what's to happen to existing and past exploitation of the lands won't be straightened out until the Supreme Court's decree is formally filed next winter.

Before then, Truman and Attorney General Clark will propose their legislative solution. Prospect is that it will provide for states to continue administering use of the lands—but within federal standards.

For California, that likely means adopting pro-

WASHINGTON OUTLOOK (Continued)

rationing of oil production—that's what Ickes was after when he started the tidelands fuss.

Also, until Congress acts, Clark won't upset existing arrangements (but the court's decision makes it possible that an aggrieved citizen might).

And Truman has no intention of taking away from the states the revenues they now collect from exploitation of the lands.

HENRY WALLACE is still juggling his political alternatives for next year.

His closest advisers have no clear picture of just what he will do. Wallace himself hasn't either—yet.

He has been tremendously impressed by the big turnouts for his recent speeches. But Wallace has no illusions that he can become President.

Wallace would like best to go to the Democratic convention at the head of a respectable block of delegates—150 or so.

He counts on California's votes for part of this; also, whatever else C.I.O.-P.A.C. can deliver. Tip-off to his chances turns on whether Jimmy Roosevelt decides to enter a slate of delegates against Ed Pauley's regular Democrats.

If Wallace can get delegates, he will seek to pick Truman's running-mate—a liberal, perhaps of the stripe of Justice Douglas—and will demand a voice in writing the platform.

If Wallace can't gather Democratic delegates, he will almost certainly go third party.

He sees so little difference between undiluted Trumanism and the G.O.P. that he would be willing to "throw" the White House to the Republicans in order to head a party that might elect a few congressmen in '48, more in the '50's.

Then, assuming a big depression, Wallace figures he might name the President in '56.

DON'T COUNT YOUR SAVINGS on the basis of Knutson's new tax cut bill—a copy of the vetoed measure with the effective date changed to Jan. 1, 1948.

House leaders don't expect the bill to come out of committee. And the Senate wouldn't touch it, anyway.

Knutson merely reintroduced the measure to have it on hand for possible action at the special session in the fall. And to serve notice that the

G.O.P. still likes the percentage type cut in income taxes.

BOX SCORE on the Supreme Court session that ended this week shows the court still badly divided on what is the law.

Court handed down 238 opinions in 137 cases. Dissents totaled 72; separate concurrences 29.

Sharpest splits were in cases involving government authority over individual freedoms. Federal agencies were upheld in regulatory issues in nearly every case.

Justices Black and Douglas were the hardest working at this session. Black wrote 27 court opinions, Douglas 26.

Frankfurter was top dissenter—16 times. Jackson dissented 12 times, Rutledge and Murphy 11 each.

Rutledge wrote the most separate concurrences—10. Frankfurter wrote eight.

Only Vinson wrote no dissents or concurrences. He turned in 14 court opinions.

THE WAR ENDED THIS WEEK—according to a Senate vote on 184 emergency powers of government.

The Senate approved—without debate or roll call—an omnibus repealer of the 184 laws.

Senate action was on faith alone. All senators had for guidance was a list of the number of laws affected and its Judiciary Committee's assurance that the vote was "intelligent legislative action."

A detailed list of powers being wiped off the statute books was still being compiled by committee clerks.

- Some 80,000 business and industrial concerns have had their certificates to provide on-the-job veteran training revoked. It's part of the campaign to tighten up this phase of G. I. education. . . .

- Three-cent first class mail rate is being made permanent. But legislation to change other postal rates (BW—Apr. 5 '47, p. 22) is now definitely shelved for this session. . . .

- Availability of unobligated federal highway aid funds has been extended for another year. The action carries over, into fiscal '48, \$158 million in money which states hadn't taken up. . . .

- You can expect to hear more in the battle of words between CAB Chairman Landis and Dave Behncke, head of the airline pilots' union, over CAB's handling of recent airline accident inquiries.



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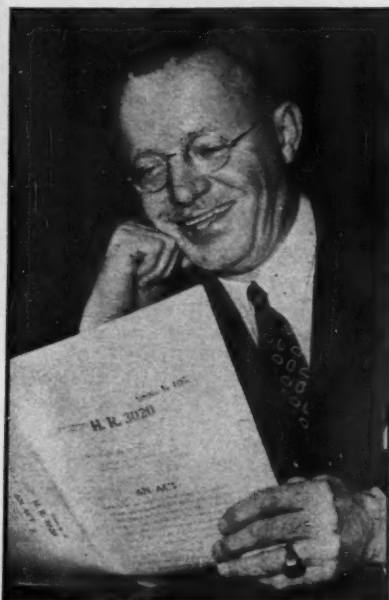
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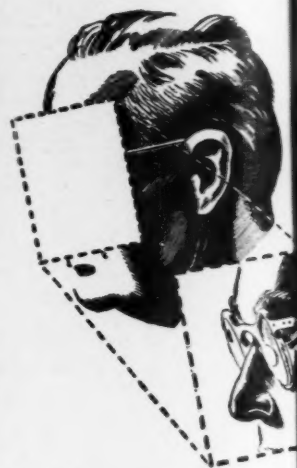
Co-author Fred A. Hartley, Jr. (above), Republican representative from the 10th congressional district of New Jersey and chairman of the Education & Labor Committee of the U. S. House of Representatives, may remember—perhaps ruefully, perhaps contentedly, as time goes on—that a predecessor in his post became a forgotten man when the name of the Wagner-Connelly National Labor Relations Act really went into the language.

But Robert Alphonso Taft, senator from Ohio and son of a President of the United States, who drove the Taft-Hartley Labor Management Law through the "Wagner Act" and over Truman's veto, can be sure that his name will ride with it through the years—and the presidential campaigns—to come.

As this week sees the final law drawing the first detailed study by management and the first sharp reactions from an embittered labor union leadership, Business Week makes a forthright estimate of the importance of this measure to business history. For the first time in its own history, it has devoted its first eight general news pages to a report on one item in the week's news. That report (which also replaces Business Week's Labor Dept. in the June 28 issue) has been carefully designed as management's practical operating guide to this new law which starts a new deal for America's employers (page 15).

The Pictures—Int. News—8, 17, 92; Press Assn.—15, 16, 19, 78, 92; Harris & Ewing—18, 22; Acme—20, 58; Charles Phelps Cushing—24; Reni Newsphoto—43; Newspictures—51; Canadian Pacific—83; Triangle—89; Keystone—93.

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BUSINESS WEEK • June 28, 1947

BUSINESS OUTLOOK

ESS WEEK

28, 1947

SERVICE

Spectacular passage of the new labor relations law over the President's veto this week pointed up the new frictions that it introduces (page 15).

There is, however, little likelihood of a general strike in protest. The big unions are too conscious of public opinion for that.

More probable are outbreaks of "unauthorized" walkouts. Few manufacturers are unaware of what hob these can raise with production.

Thus, while the long-range effect of the law may be for a fairer balance in bargaining, the immediate future doesn't promise labor peace.

Widespread strikes, by the way, would be deflationary. Wages would be lost; production schedules would be upset; and pent-up demand, too long deferred, can gradually be destroyed by the cost of living.

Lot of unions are talking about "testing" the new labor law, but the first contest is obviously due in coal. The United Mine Workers demonstrated that in so-called wildcat walkouts this week.

Next week the miners will be on vacation. While the mines are closed, the government will turn them back to the operators.

It seemed doubtful this week that John Lewis and the operators would have agreed to a contract by July 7 when the miners are due back on the job. Even an official call to return to the pits probably would fall flat; the old dodge of "no contract, no work" would exact its toll.

Work stoppages can be enjoined by the government, under the new law, whether a strike has been called officially or not. The union is then required to order the men back to work for 80 days of peace-making.

But that leads up to the basic weakness of the injunctive weapon.

How is Uncle Sam to force the individual coal miner to go to work?

Strongest force working for a coal settlement is the position of the steel industry. Its coal stocks are low. U.S. Steel's subsidiary, Carnegie-Illinois, began banking blast furnaces in Pittsburgh at midweek.

Meanwhile, northern mine operators were gathering in Washington. These included heads of the steel industry's "captive" mines.

The anxiety to avoid a steel tie-up for want of coal thus is clear.

Lewis presumably would settle with the northern group. He figures he can squeeze a better contract out of them than he could if the southern operators sat in and held out for minimum terms. Then, if southern mines were struck, it would be much less of a national affair.

Many managements were quick to tell employees that there wasn't any club in the closet just waiting to be used once the new law passed.

One such was General Foods. The company wired managers of all its 69 operating units right after the Senate overrode the presidential veto—and mailed to all employees—a statement declaring "nothing in the new labor law is inconsistent" with the concern's employment policies.

Signs accumulate that production is beginning to approach demand.

Take copper. The price is steady, demand continues good, and use still is up around 120,000 tons a month. But here and there a big user has stopped building inventory, is buying only current needs.

Two widely different lines—a Connecticut brass mill and three Rochester

BUSINESS OUTLOOK (Continued)

BUSINESS WEEK

JUNE 28, 1947

(N. Y.) makers of photographic paper—reduced the work week. Thus two forces are at work simultaneously on wage payments: (1) Lower production schedules hold them back while (2) hourly rates are rising.

Machinery manufacturers note a slight but measurable decline in new orders for capital equipment, according to an informal poll by the Machinery & Allied Products Institute.

Executives questioned traced the trend to less industrial building.

Yet manufacturers of both producers' and consumers' durable goods, almost to a man, find it difficult to see a recession in their own lines.

In radios and in shoes, unit volume has turned downward. Yet neither industry professes much alarm.

The Dept. of Commerce notes that a "postwar adjustment" in shoe production has been accomplished without a decline in employment. In fact, April employment was about the same as a year earlier.

The "adjustment" has been a shift from making 60% of all shoes of leather during the war to 86% of leather now.

May radio production of all types was down to 1,316,373 from 1,548,540 in April. This, the Radio Manufacturers Assn. explains, reflects the fact that the industry has been outrunning its goals.

It had been shooting at 15,000,000 sets for the year; output for the first five months of 1947 was at an 18,000,000 annual rate.

Moreover, production increasingly is in more expensive radios.

Here's another straw in the wind that indicates heavy construction is not going to take up the slack caused by slower home building:

New contracts for structural steel dipped to 107,470 tons in May from 146,568 in April and 149,634 in March.

Of course, one month doesn't make a trend. May could have been affected by unusual factors. On the other hand, the lower figure could forewarn of a cutback in earlier intentions to build.

Here are some certainties, though. American Institute of Steel Construction figures show that shipments for the first five months of the year were 27% above the 1936-40 average and new orders 12% higher.

Moreover, the backlog totals between four and five months' output.

So topsy turvy are price relationships that grain normally going into human food is likely to be fed to animals.

Wheat prices have been going down on bountiful crop prospects; corn has been going up on discouraging crop prospects.

Result: Cash corn sold higher than wheat in Kansas City on Tuesday.

New-crop wheat is coming to market now; new-crop corn won't be available for several months. So the feed picture is all out of kilter—and the price of either grain is frightfully high for livestock feed.

More on the "gray" market: So necessary is television as a customer lure for saloons in some cities that tavern keepers will pay you way more than you laid out for that new set of yours.

At an auction of "new used cars" held in the old cattle market near Bel Air, Md., the other day, glum dealers sat by and watched car after car go back to the parking lot. No bids as high as minimum asking prices.

FIGURES OF THE WEEK

THE INDEX (see chart below). *191.6 †191.8 191.4 172.6 162.2

PRODUCTION

Steel ingot operations (% of capacity).....	95.6	95.8	95.4	87.2	97.3
Production of automobiles and trucks.....	103,278	†97,943	96,651	54,475	98,236
Engineering const. awards (Eng. News-Rec. 4-week daily av. in thousands)....	\$21,549	\$19,388	\$17,907	\$23,145	\$19,433
Electric power output (million kilowatt-hours).....	4,676	4,702	4,663	4,129	3,130
Crude oil (daily average, 1,000 bbls.).....	5,115	5,113	5,025	4,950	3,842
Bituminous coal (daily average, 1,000 tons).....	#	#	2,162	2,067	1,685

TRADE

Miscellaneous and L.C.L. carloadings (daily average, 1,000 cars).....	84	84	85	83	86
All other carloadings (daily average, 1,000 cars).....	66	66	63	62	52
Money in circulation (Wednesday series, millions).....	\$28,195	\$28,253	\$28,116	\$28,116	\$9,613
Department store sales (change from same week of preceding year).....	+6%	+7%	+11%	+37%	+17%
Business failures (Dun & Bradstreet, number).....	70	66	102	25	228

PRICES (Average for the week)

Spot commodity index (Moody's, Dec. 31, 1931=100).....	402.5	401.9	396.9	287.0	198.1
Industrial raw materials (U. S. Bureau of Labor Statistics, Aug., 1939=100)...	261.6	262.3	262.2	178.6	138.5
Domestic farm products (U. S. Bureau of Labor Statistics, Aug., 1939=100)...	359.5	356.6	342.3	255.3	146.6
Finished steel composite (Steel, ton).....	\$69.82	\$69.82	\$69.82	\$64.45	\$56.73
Scrap steel composite (Iron Age, ton).....	\$34.75	\$33.25	\$30.42	\$19.17	\$19.48
Copper (electrolytic, Connecticut Valley, lb.).....	21.500¢	21.500¢	22.379¢	14.375¢	12.022¢
Wheat (Kansas City, bu.).....	\$2.32	\$2.41	\$2.69	\$1.86	\$0.99
Sugar (raw, delivered New York, lb.).....	6.19¢	6.19¢	6.19¢	4.20¢	3.38¢
Cotton (middling, ten designated markets, lb.).....	37.28¢	37.45¢	35.96¢	29.60¢	13.94¢
Wool tops (New York, lb.).....	\$1.506	\$1.500	\$1.379	\$1.330	\$1.281
Rubber (ribbed smoked sheets, New York, lb.).....	15.11¢	16.65¢	18.80¢	22.50¢	22.16¢

FINANCE

40 stocks, price index (Standard & Poor's Corp.).....	119.8	118.7	112.8	144.5	78.0
Medium grade corporate bond yield (30 Baa issues, Moody's).....	3.22%	3.22%	3.19%	3.03%	4.33%
High grade corporate bond yield (30 Aaa issues, Moody's).....	2.56%	2.55%	2.53%	2.49%	2.77%
Call loans renewal rate, N. Y. Stock Exchange (daily average).....	14-14½	14-14½	14-14½	1.00%	1.00%
Prime commercial paper, 4-to-6 months, N. Y. City (prevailing rate).....	1%	1%	1%	¾%	1-¾%

BANKING (Millions of dollars)

Demand deposits adjusted, reporting member banks.....	40,523	40,302	39,638	39,869	23,876
Total loans and investments, reporting member banks.....	55,106	54,698	54,801	62,505	28,191
Commercial and agricultural loans, reporting member banks.....	10,633	10,636	10,739	7,520	6,296
Securities loans, reporting member banks.....	1,989	2,050	1,804	4,033	940
U. S. gov't and gov't guaranteed obligations held, reporting member banks.....	34,596	34,171	34,535	44,324	14,085
Other securities held, reporting member banks.....	3,529	3,510	3,463	3,378	3,710
Excess reserves, all member banks (Wednesday series).....	860	770	770	671	5,290
Total federal reserve credit outstanding (Wednesday series).....	21,797	22,040	22,071	23,454	2,265

Preliminary, week ended June 21st.

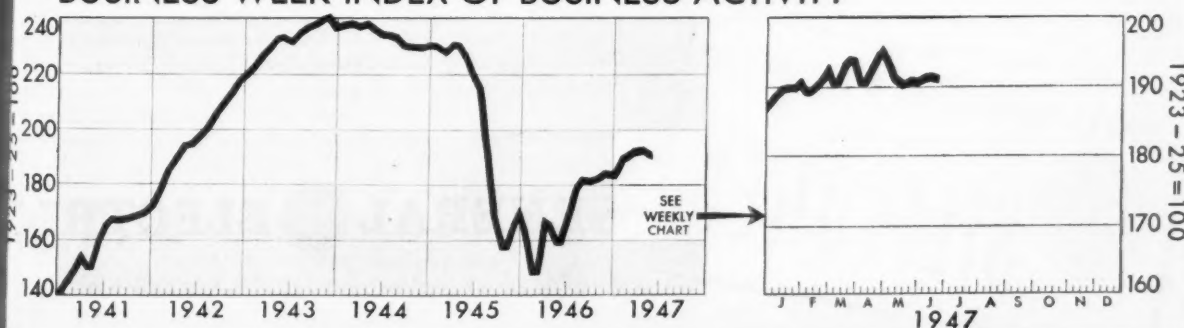
‡Ceiling fixed by government.

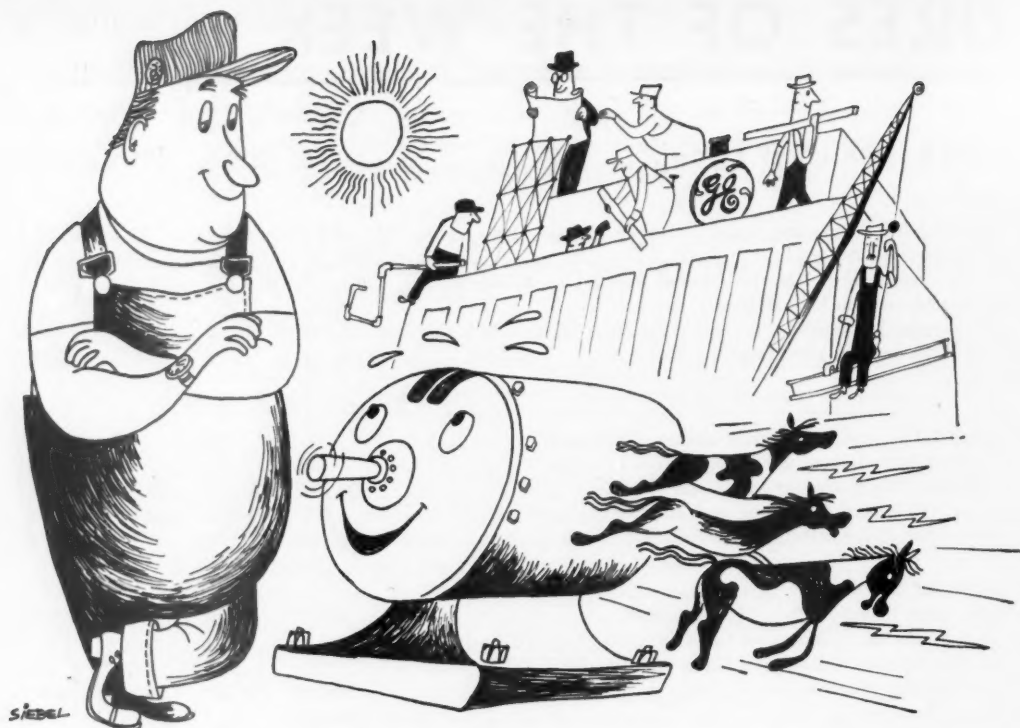
#Series temporarily discontinued (BW—Jun 14 '47, p. 5)

§Date for "Latest Week" on each series on request.

*Revised.

BUSINESS WEEK INDEX OF BUSINESS ACTIVITY





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A continuous temperature of 355 degrees F won't faze G-E silicone resin

varnishes. And at the "hot spot" they can withstand heat 100 degrees above the best "hot spot" point for any other insulating varnish! What's more, the resistance of these varnishes doesn't end with heat alone. They have equally superior chemical and moisture-resisting qualities.

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When will General Electric silicones start to flow in quantity? We expect to have our Waterford plant operating soon. Chemical Department, General Electric Co., Pittsfield, Mass.

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GENERAL  ELECTRIC

CD47-512



The injunction stops John L. Lewis and the 1946 coal strike—and injunctions become the teeth in a new law.

New Deal for America's Employers

Management's guide to the Taft-Hartley law—a "bill of rights" which brings new responsibilities and more government, curbing unions and providing safeguards for the public.

The first major statute to have "management" in its title became the law of the land this week.

With the passage of the Labor Management Relations Act over the President's veto, employers won a 12-year fight for legal recognition. For in both form and substance the Taft-Hartley Act, by creating new rights and new responsibilities, makes management a major factor in the labor relations picture.

The era of the Wagner act has ended. The consequence of this fact for the businessman is profound. It can also have far-reaching implications for the economic and political equilibrium of the nation.

For a dozen years mounting labor unrest had rested firmly upon a federal law which was a cornerstone of the New Deal. Upon that rock labor built its house—the towering institution of the trade union, fifteen million strong.

The license of that vast movement to operate almost without check has now been revoked. In three ways, a bridle has been put upon its power:

- (1) By arming management with a new set of legal rights;
- (2) By imposing new rules on collective bargainings and on union operations;
- (3) By granting to the individual employee who is opposed to unionism

a legal status which he never before enjoyed.

This demolition of the Wagner act has been accomplished by an unprecedented extension of government authority over the labor-management relationship. It is an authority which rests upon severe penalties. It is justified on the theory that only through federal policing can the public interest be safeguarded. Encompassed in that conception of the public interest is the protection of management's right to manage, the right of the individual worker to refrain from joining a union, and the right of both to be shielded from coercive pressures.

I. Management's New Rights

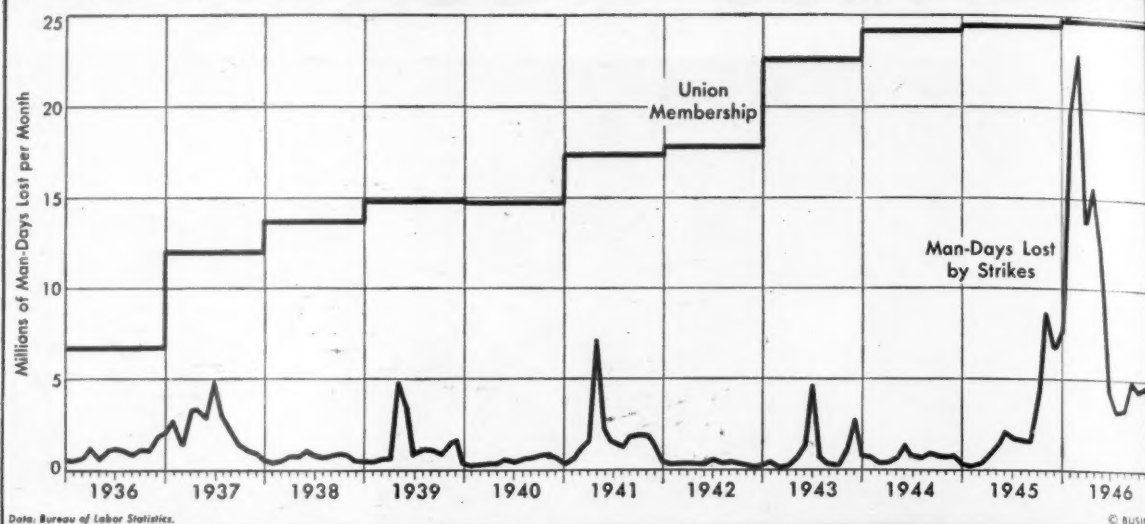
New rights for management are written into the first three titles of the new law. The first of these amends the Wagner act; the second creates an independent conciliation and mediation service and provides for the handling of national emergency strikes; the third establishes that unions may be sued.

Some of the most significant provisions of these particular parts of the act are:

Supervisors—defined very broadly—and their unions, no longer have any standing whatsoever before the National Labor Relations Board. Management does not have to treat with them in any way.

Management is protected against

UNIONS—AND STRIKES—GREW IN WAGNER ACT PERIOD



Picture of the era that is ending: Under the Wagner act, unions grew to towering proportions, and strikes took a direct toll of 276,381,000 working days.

union efforts to make it discharge or discipline any of its employees who may be in trouble with their union.

Management is protected against union restraints designed to influence its selection of a collective bargaining representative, and the employer can require a union to bargain with him. This should permit a company to take itself out of industry-wide bargaining when it chooses.

A business is protected against boycotts.

Employers and the self-employed are protected against being forced into either a labor or an employer organization.

Management's sole authority to say who gets the work—and thereby to be protected against jurisdictional strikes—is guaranteed.

Management is protected against "exactions" for services not performed—thus featherbedding is proscribed.

The area of free speech for management is substantially enlarged by providing that the expression of any view—so long as it does not contain a threat or a promise of benefit—can no longer be considered evidence of an unfair labor practice.

Although it remains incumbent on management to bargain in good faith, it will no longer have to prove that good faith by making concessions.

Management is protected against the sudden modification or termination of contracts by a provision that a 60-day notice of intent must be given in such cases. Any employee who strikes during

that period can be fired, and the employer has no obligation to rehire him.

Management may, at any time, bargain with any individual or group of employees, whether or not they represent a union, as long as the outcome of that bargaining is not inconsistent with terms of an existing contract.

Professional employees—broadly defined—and craftsmen, as a group, may decide for themselves in a secret ballot whether or not they want to be in the same bargaining unit with other employees.

Management cannot be forced to bargain with company guards if the union of guards is affiliated either directly or indirectly with organizations admitting other employees.

An employer may petition for a collective bargaining election whenever one or more individuals come to him asking for union recognition.

Management cannot be required to bargain with a union on the ground that it has organized one or another section of the enterprise.

Management cannot be presented with a demand to make union membership a condition of employment in any form unless that demand has been voted for by a majority of the employees it would cover—not simply a majority of those voting—in a secret, NLRB-conducted election.

Management is protected against having to deal with unions under subversive leadership by the new legal requirement that every union official must file an affidavit swearing that he is not a Communist.

Management is protected against



Sen. Robert F. Wagner: He gave the Wagner act its name to act it took 12 years to an

complaints of unfair labor practice when the basis for the complaint occurred more than six months before the NLRB hearing by a decision that: "The rules of evidence be applicable in such proceedings."

Management is protected against back pay or reemployment claim by any individual who has been discharged "for cause."

Management can apply to NLRB subpoena any evidence which it deems is relevant to the prosecution or defense of any matter before the board.

Management's final offer in a dispute, which, in the opinion of the President, could imperil the national health or safety will be submitted in a ballot to employees.

Management may sue a union

kind of damages resulting from the act of any union representative, regardless of whether the act was actually authorized by the organization. This includes steward-led wildcat strikes and other contract violation sanctioned by a local union official.

Management will not have to check

Management's New Responsibilities

The Taft-Hartley act is not a 100% management law.

Although it confers many new rights on employers, many of them are coupled with new responsibilities which employers must scrupulously observe. In protecting what it conceives to be the public interest, it has created some pitfalls for unwary management.

Beyond this, the great expansion of government interest and authority over labor-management affairs—even though the exercise of this authority is intended to protect the employer's protection—means that management will be more thoroughly regulated in this area of its relations than ever before.

The first of the new management responsibilities is the requirement that employers must not in any way interfere with employees' rights to refrain from joining a union or participating in union activities. Under the old law, management was prohibited from interfering with an employee's right to join or participate in such activities. That prohibition remains. The new prohibition supplements it. The result is that the employer must walk a tightrope of strict neutrality. A deviation in either direction is an unfair labor practice.

Management is prohibited from making union membership a condition of employment in any way—even though such an arrangement satisfies the new procedures required—unless new employees are given a 30-day grace period before they must become union members.

Management cannot have union membership a condition of employment in any form unless the NLRB has first conducted an election among its employees.

Management cannot discharge or discriminate against an employee at the union's behest or because that employee does not pay his union dues if there is reasonable ground for believing that the employee was not offered admittance to the union on the same terms and conditions which apply to other members. Nor can management discharge an employee under a union-shop contract when that employee's relations with his union are the point at issue, as long as

off union dues unless it has a specific written assignment from the individual employee, revocable after 12 months.

Management is protected against demands that it make any payment into a welfare fund, unless it has equal representation with the union in the administration of that fund, and unless the purpose of that fund is set forth in detail in writing.

that employee continues to proffer his regular dues.

A large responsibility is imposed upon management by the new law's definition of what collective bargaining actually is. Employers, as well as unions, are bound by these rules:

(1) They must meet at reasonable times with the other party and confer in good faith;

(2) They must serve written notice upon the other party 60 days before any change in the existing contract or any changes from the old contract to go into a new one can be effective;

(3) They must, 30 days after initiating the discussion of contract changes, if the issue is still open, notify the federal and state government that a dispute exists;

(4) They must, for the 60-day period beginning with the filing of the original notice, hold in effect without change all existing terms and conditions of employment.

Management is required to afford the union representative an opportunity to be on hand whenever the grievance of any individual employee is adjusted.

Management will be held responsible for putting no undue difficulties in the

way of any of its employees who at any time choose to circulate a petition indicating employee preference for or against a union-shop agreement. If such petitions attract the support of 30% of the employees covered by the contract, NLRB conducts a poll on the question.

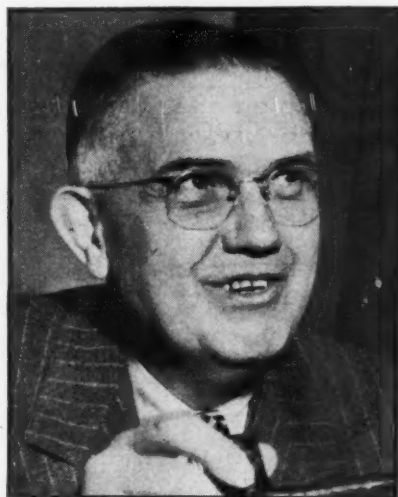
The slighting of any of the above responsibilities is an unfair labor practice which, under the new law, can be enjoined by court order.

There are other potential dangers for management in the law. Most of them are two-edged swords available to either employers or unions. They can cut both ways.

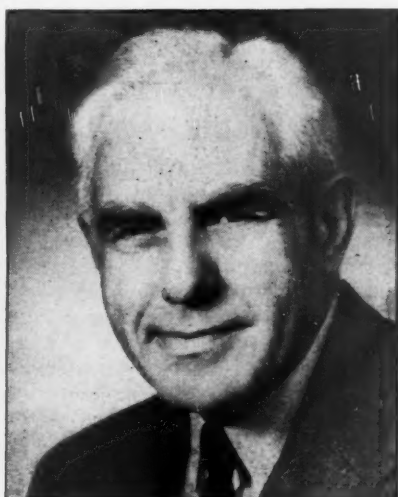
For example, the new right accorded management to apply to NLRB to subpoena evidence is a new right accorded to unions as well. Only the board's opinion of what may or may not be relevant can prevent a union from embarking on a fishing expedition among the documents and records in an employer's files.

Similarly, the provision that honors individual state bans on union security contracts (BW-Jun.14'47,p90)—most of which are more severe than that provided in the federal statute—can wound unions. But it can also make things uncomfortable for the employer with plants located in different states who would prefer to operate under a single set of legal requirements.

Management is held responsible for continuing all existing contracts in effect for another year or until their termination date, whichever comes sooner, despite the existence in such contracts of provisions which may be at variance with the new statute. The other new responsibilities imposed upon management



Earl Bunting of the N.A.M.



Earl Shreve of the C. of C.

Asking management restraint, the presidents of the two leading employer associations are now preparing to help American industry exercise its new rights.



Gerald D. Moran Gerard D. Reilly Thomas E. Shroyer

The Senate's technicians who guided the hands of the new law's authors.

by the passage of this law take effect 60 days after its enactment.

Further duties are imposed upon management whenever, in the opinion of the President of the United States, its enterprise is involved in a labor dispute which threatens to imperil the national health or safety. The procedure established for the handling of such emergencies subjects the employer and his records to the subpoena power of a special board of inquiry. As a climax to the investigation of this board, whose findings are made public, the employer must formulate a final offer of settlement for submission to his employees in a secret ballot.

The employer can be prosecuted if he agrees to pay money or any other thing of value to a representative of his

employees. He violates the law by checking off union dues without having received from the employee concerned a written assignment which is revocable after one year. Agreeing to make any contribution to a welfare fund also puts the employer in jeopardy unless that fund conforms to the exacting requirements established in the LMRA.

The willful violation of any of the new regulations applying to a financial disbursement by an employer renders him subject to a fine of up to \$10,000 or a year's imprisonment.

Existing arrangements which deviate from the new rules need not be revised, however, until July 1, 1948, or until the contract which establishes them expires, whichever occurs first.

III. New Rules for Labor Organizations

In the view of the authors of the LMRA, the collective bargaining balance was weighted so heavily in favor of the union that a more satisfactory relationship could not be achieved merely by according management new rights. They felt it was necessary to go further and divest the unions of many of the privileges which they have enjoyed. Also, they wanted to protect the individual employee against a union tyranny which, in their judgment, could be worse than employer oppression.

Thus some of the most significant provisions in the new act change the rules under which unions operate. And they establish rules where none existed before. It is on this front that the new

law does its boldest pioneering. Industry has a vital interest in the outcome of that pioneering.

It is already clear that the unions' willingness to accept (and their adaptability to) the new rules will mean the difference between peace or war on the labor front in the period directly ahead.

Even though the target of an embattled unionism may be the government, the only battlegrounds open to it are: first, industry; and second, the courts. Not only do the new rules imposed upon unions bear upon management's strength at the bargaining table. But how the rules operate will provide the answer to how tumultuous will be the labor out-

look during the next several years. These rules bring labor to a crossroad. The unions have their choice either becoming more restrained organizations than they have ever been before, or becoming outlaw. So powerful and pervasive have unions grown that their could be maintained that their to make a decision puts America at crossroad, too.

On such grounds, the way the law will affect the unions can probably be of greater importance to industry than what the new law will do to management.

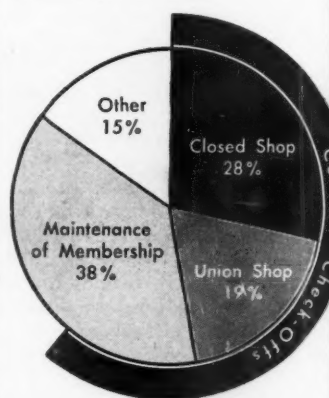
Many of the restraints imposed on unions are obvious corollaries of new rights accorded management. Some others are the opposite side of the management responsibility coin. Thus, for example, the greatest blow dealt to additional organizing operations is the union, as well as management, must respect the individual employee's right to refrain from joining a labor organization or participating in its activities.

Unions equally with employers must be guilty of unfair labor practices. They are prohibited from restraining or coercing individual employees or employers. They cannot refuse to bargain with an employer.

They can be called upon to face

CONTRACTS IN EFFECT

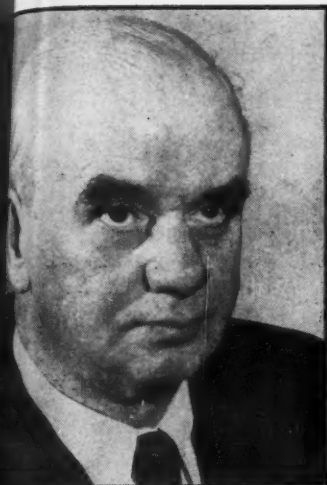
Of existing contracts in manufacturing 61% provide check-off, will be affected by new law



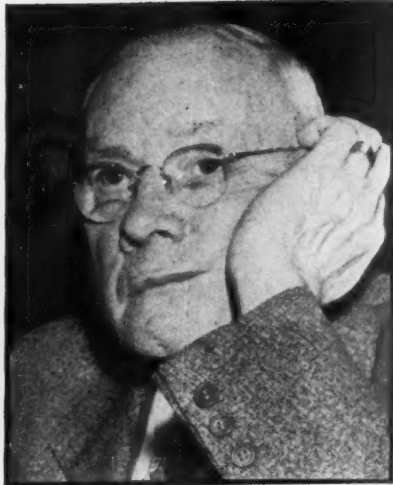
Source: Bureau of Labor Statistics.

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Only 15% of the thousands of labor contracts now in force will be "legally" changed when the new law takes full effect. Those providing a closed shop (28%) require drastic changes. Those calling for the union shop and maintenance of membership (57%) may be preserved only after secret elections. The Taft-Hartley act requires individual authorizations to preserve the check-off arrangement now operative under 61% of the existing agreements.



C.I.O.'s Philip Murray



A.F.L.'s William Green

for them and their labor unions: new rules and new defense positions.

an employer challenge of their representation status.

In many instances where it is illegal for employers to enter into a certain transaction, it is unlawful for a union even to demand such an agreement.

Most importantly, however, the unions are hit by the imposition of new rules which can apply only to them: a union is held responsible and is liable (by an employer, another union, or one of its members) for the acts of one of its officials. This means any slowdown to and including shop stewards who engages in any activity which is unlawful or a cause of damages.

This responsibility cannot be evaded. The claim that the individual official is operating without authority from the parent organization, or that his acts are not subsequently ratified.

Boycotts, jurisdictional strikes, and secondary strikes are prohibited. And other practices can no longer be tolerated; these are so broadly defined to include, conceivably, pay for call time, rest periods, and standby time. Industrial unions will have to defer to the wishes of craftsmen if a majority of them vote for representation in a separate bargaining unit.

It is no longer possible for a union to induce an employer to recognize its authority when a question of representation exists. There must be an election. Employees who have been discharged for cause—including contract violation—during the course of a strike are no longer eligible to vote in an NLRB election.

In order for a union to have any standing under the law, or any rights

before the NLRB, it is required to take the following steps:

(1) It must report to the Secretary of Labor the total compensation paid to its three principal officers, and to any other of its officials who earn more than \$5,000 a year.

(2) It must report on the manner in which such officers were elected or otherwise selected;

(3) It must report its initiation fees and regular dues;

(4) It must report on the qualifications and restrictions on admittance to membership, its method of electing officers and stewards, its method of calling meetings, levying assessments, imposing fines, authorizing its bargaining demands, ratifying its contract terms, authorizing strikes, authorizing disbursements, providing for a financial audit, its participation in insurance or benefit plans, and its procedure for expelling members;

IV. The Extension of Government Controls

Almost every articulate advocate of the Taft-Hartley act at one time or another deplored its necessity. These advocates would have preferred to keep employer-employee relations out of the reach of bureaucracy. But their conclusion was that these relations could not be righted without government intervention.

Today, under the new law, the processes of collective bargaining are to be thoroughly regulated. And although the hand of government is heaviest when it deals with unions, it does not touch management lightly.

First and most dramatically, the new law creates a labor czar.

(5) It must report the sources of all of its receipts, its total assets and liabilities, and the disbursements it has made during the fiscal year;

(6) It must furnish its financial report annually to all of its members;

(7) It must have each one of its officers file an affidavit swearing that he is not a Communist. (A false affidavit will not penalize the union—it will make the individual subject to the criminal code, with possible penalties ranging up to a \$10,000 fine and/or 10 years in jail.)

Unions will be held responsible for the back pay of individual workers whose discharge they have illegally caused.

Cases involving charges of unfair labor practice against unions in which they are accused of boycotting, engaging in a jurisdictional dispute, or illegally striking, get priority on NLRB's docket. Union activities of this type may be enjoined. Unions may also be enjoined from striking for a period totaling 80 days when such a strike may, in the opinion of the President of the United States, imperil the national health or safety. On such grounds "the right to strike" is severely restricted.

In suits against labor organizations, the total damage awarded is collectible against the union treasury, not against any individual.

A slowdown is defined as a strike.

Stringent curbs are placed upon the political activities of labor organizations.

It has become unlawful for a union to make any contribution or expenditure in connection with any federal election. It was the intent of Congress to make illegal even the publication in a union-financed newspaper of editorial material favoring one candidate or opposing another. This is the only prohibition in the new law which will be enforced by penalties upon individual union officers, as well as upon their organizations.

He is the general counsel of NLRB, appointed by the President subject to Senate confirmation. He will act in the name—but completely independently—of the NLRB. In actual fact, this general counsel will be vastly more important than the NLRB itself.

He will have final authority over all investigations, charges and issuance of complaints which are made under the statute. He can decide without appeal to any board or court what cases should and should not be put upon the NLRB docket. His final authority covers cases brought by management as well as by unions.

A decision on his part not to issue a



Sitdown auto strikers and friends.



Struck plant and National Guardsmen.

Coal, steel, rubber, glass, lumber, copper, aluminum, cement; mines, factories, mills, yards, docks, shops, schools; Boston, New York, Atlanta, Birmingham, Pittsburgh, Cleveland, Detroit, Chicago, St. Louis, Minne-

apolis, Portland, Seattle, San Francisco, Los Angeles—all were touched by the decade of recurring turmoil on a labor front spanning a continent.

Out of it all the unions rose to power and "there ought to be a law"

became a popular idea. To the 80th Congress it was a popular mandate to management a long-deferred public realization of an unfair situation to labor a misunderstanding that it is imperative to rectify immediately



Mob scene in Hollywood: Not even Harry Truman excused the jurisdictional strike.

complaint ends the possibilities of legal action by either the employer or the union involved.

All the attorneys on the board's staff who deal with complaints and petitions in the field are under his exclusive supervision. In some types of cases, it is mandatory upon the general counsel to go into court and obtain an injunction against the continuance of an unfair labor practice. In others he may use his unchallengeable discretion on whether to invoke judicial authority.

The opportunity for government intervention in negotiations is preserved from the Connally-Smith act (which expires June 30) by the 60-day notice period written into the new law. Thirty days after that notice is served, federal and state conciliation agencies must be officially notified of the existence of a

dispute. Both can send their representatives into negotiating sessions.

Two provisions in the new law illustrate how extensive government intervention has become:

(1) It is quite conceivable that under this law the NLRB will be holding three separate elections every year in some plants.

This is established by the law's requirements that when a representation question arises—and one may arise every twelve months—craftsmen and professional employees will first vote on whether they want to be included in the bargaining unit with other employees.

Then a second vote will be taken on whether the employees want to be represented by a given union—just as this type

of election has been held up to now.

The third election will occur when the union makes a request for some type of union security contract. At that point the board must poll all of the eligible employees on the question.

Actually, there may be five elections. Just as now, a runoff ballot must be conducted if there are competing unions on the ballot and no choice gets a clear majority. The fifth election which will be held will occur when a labor dispute threatens an interruption of production in an enterprise which, in the judgment of the President, might imperil national health or safety.

(2) The second example of the tensiveness of government intervention is implicit in the law's provision which defines a "slowdown" as a strike.

slowdown is alleged in a situation where this law limits, regulates, or permits a strike, there must be, of some judicial determination of whether a slowdown is actually taking place. What this means in practical terms is that the board and the courts have to determine what level of production or speed of an assembly line, at the point below which productivity will not fall without a slowdown being

The new law also takes the government deep into the collective bargaining relationship. That happens whenever, in the opinion of the President, a threatened or actual strike or lockout is permitted to occur or to continue, if it imperils the national health and

these national emergency disputes must go through a process of 11 steps:

1. Machinery is set in motion by a presidential appointment of a board of conciliation.

2. This board inquires into the dispute. It has the power to subpoena witnesses and documents.

3. It makes a written report to the President within such time as he prescribes.

4. The President then files this report with the new conciliation service, which the law establishes as independent of the Dept. of Labor. He also makes its contents public.

5. The President then directs the Attorney-General to go to court and get an injunction to stop or prevent the disruption of production. The limitations upon the court to issue such injunctions, which are provided in the Taft-Hartley act, are set aside.

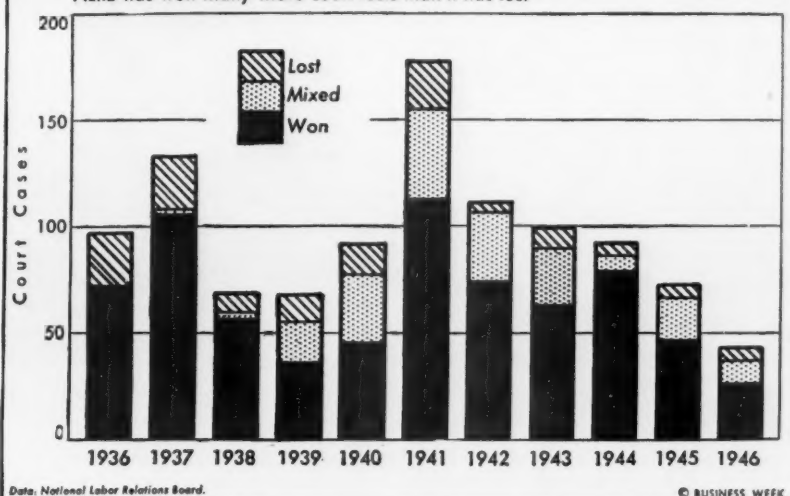
6. After the injunction is issued, the President reconvenes his fact-finding board. The board then has 60 days in which to make a second report to the President.

7. The board's second report is submitted to the President and he makes it public.

8. Within the following 15 days, the NLRB will take a secret ballot of the employees involved. The question:

THE WAGNER ACT IN THE COURTS

NLRB has won many more court tests than it has lost



Lawyers expect that the 1,055 court decisions to which the Wagner act had to be exposed won't be a patch on the litigating done under the new law.

whether they wish to accept the final offer made by the employer.

(9) The results of this election are certified within five days to the Attorney-General.

(10) The Attorney-General then goes to court to discharge the injunction.

(11) When the injunction is discharged, the President must submit a full report of the proceedings to Congress. He may at the same time make whatever recommendations he sees fit.

For the 80 days the injunction runs, a national emergency strike is stopped by court order. Significantly, the final act of this procedure—the President's report and recommendations to Congress—confers no new power or authority upon the President. The point of it all is to provide a period in which the disputants can be cooled off and public opinion heated up so that some settlement will be made in the meantime. A national emergency strike after 80 days is not illegal.

may also be the history of the Taft-Hartley act.

The amendments to the Wagner act contained in the new law will get their real test one year hence. Until then, existing bargaining units and existing certification will, for the most part, remain in effect along with existing contracts.

One year from now, however, the board must open the gates to all the challenges which the new law permits. All the cases which management wants to bring will be thrown upon the board. More importantly, perhaps, the A.F.L. will try moving in on the C.I.O., and the C.I.O. will try moving in on the A.F.L. This process will be accelerated if, as expected, a shrinkage in total membership leads the rival unions to poach on each other. What is clearly indicated is either cannibalism or unity for the labor movement.

Above and beyond that, however, the LMRA puts into the reshuffled labor-management equation a new and unpredictable factor. That factor is the individual employee—who is given a legal standing which he never before enjoyed.

Either individually, or as part of an antiunion group or a faction within the union opposed to the union's administration, that individual employee is now armed with certain rights. If these rights are exercised in certain ways, they can be extremely disruptive to the union-management relationship. No one knows how those rights will be exercised.

Take, for example, an individual employee who is opposed to the union. He votes against the union shop in an election in which a majority favor it, and is

Major Controversies That Loom

The observation has already been made that the new law will be hell for unions, purgatory for employers, and a disaster for lawyers. Clearly, this will be a highly litigious statute for employers.

Those few unions which have already formulated their policies for living under the new law have decided that they will accommodate themselves to it where they can with comparative ease; they will fight it where the accommoda-

tion promises to be too difficult; and they will litigate every change every step of the way.

There is considerable reason for believing that the telling contests under this law will be held in the courts. A number of constitutional questions are raised.

For over two years, from its passage in 1935 to its first series of Supreme Court tests in 1937, the Wagner act for all practical purposes was inoperative. That



James Reynolds

John Houston

Paul Herzog

The last administrators of the Wagner act; the three-man National Labor Relations Board will now get two additional members under new law.

required to work, therefore, under a contract which provides that union membership must be a condition of employment. He may then allege that the initiation fee or dues which he has to pay are excessive or discriminatory. Before that contract can be put into effect, it is necessary for the NLRB to determine whether or not the union fees are a proper charge.

Protected by the act, the individual employee may at any time circulate a petition in the shop either requesting that a union shop be granted or, if one exists, requesting its abolition.

The individual employee also has the right to demand that his grievance be adjusted by management without giving a union representative any say in the matter. The exercise of this right under certain circumstances, not uncommon, can have an incendiary effect upon the union operating in the shop. Particularly will the invocation of this right be a highly controversial matter when it is exercised by members of one faction within a union which is in opposition to the union administration.

Most importantly, however, the law confers upon the individual employee the right to refrain from union membership and union activity. He may on his own behalf, at any time, charge that a union or an employer is interfering with that right. This complaint becomes a case which goes before the board and is subject to court review.

Another foreseeable controversy develops out of the ban on Communists in official union posts. Here, the questions can be complicated:

First, what will the Communists do? If they declare themselves, their unions must expel them from office or sacrifice their rights under the act. In many instances, such expulsions would clearly be illegal under union constitutions.

The courts have consistently held that no union expulsion is legal unless it conforms to the union constitution.

It can take some unions years before they can constitutionally amend their constitutions so that they can expel Communists. In the meantime they are divested of their rights under the law. If they operate any other way, however, they are now liable in suits brought by the individual whom they illegally—under their constitution—expelled.

Suppose, on the other hand, that the Communists choose to conceal themselves and file affidavits which are false statements. They can be the first people who will go to jail under a law which is considered abhorrent in all sections of the labor movement. They will thus become labor's first martyrs. By their lights, such a heroic role is worth considerable sacrifice.

For the immediate present, however, because of the provisions establishing the effective date for the new law, the most important controversies will probably be over the extension of existing agreements.

It has been said that the new law "will make maintenance of membership difficult, the union shop almost impossible, but will leave the closed shop untouched." The basis for such a comment, which is only half facetious, is a concept of the employer-union relationship which exists under some closed-shop contracts. In these situations employers and unions work together closely and are prepared to enter into arrangements—perfectly legal under the new law—which will keep these contracts in effect indefinitely.

For example, the Amalgamated Clothing Workers (C.I.O.) has announced that important contracts in the men's clothing industry have been ex-

tended to run for five years. All of these contracts have closed-shop provisions. The new termination date—and in the case of some other unions the date from the contract of any termination date whatsoever—is designed to hold closed-shop contracts under the Hartley act.

From June 23, there are 60 days before the prohibitions on the closed-shop and the restrictions on any other form of union security become operative. During this period it is perfectly legal to amend already existing contracts. The termination of such contracts in effect at the end of the 60-day period will not come under the prohibitions of the new law until the date of termination.

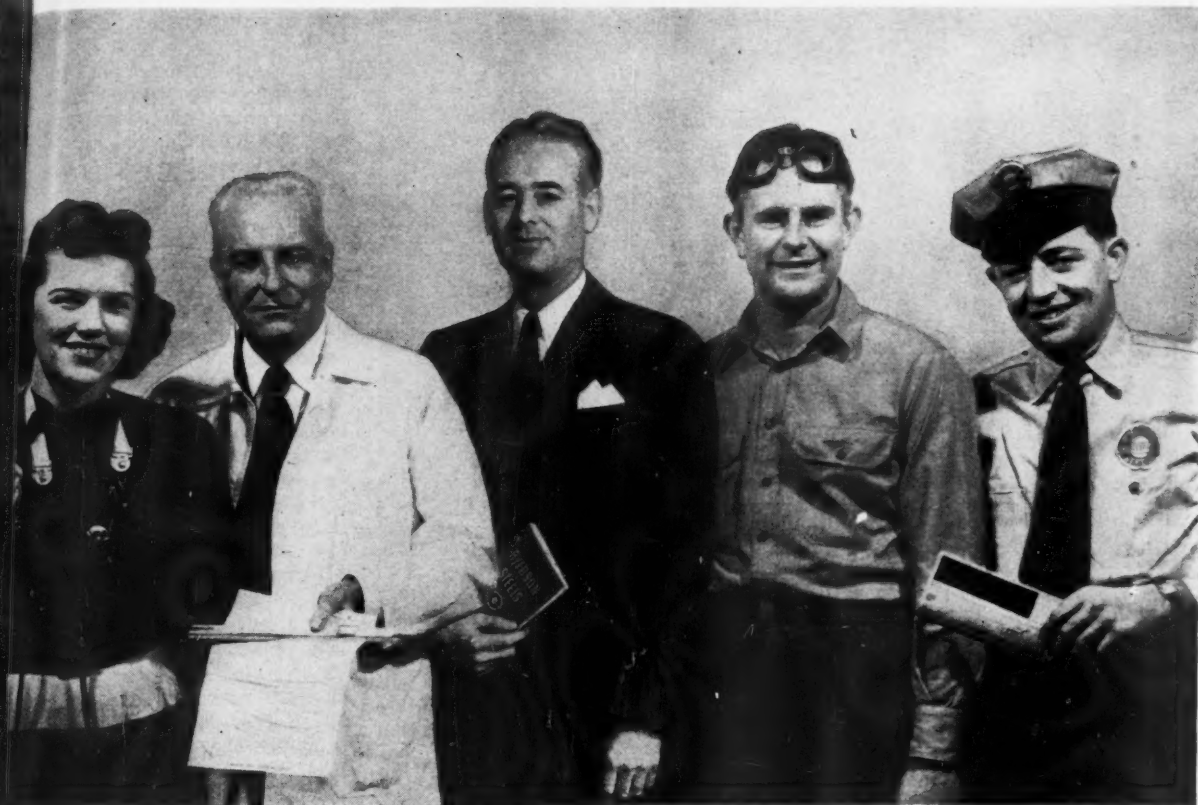
Hence, if a union amends its present contract to run without termination provisions and provides for regular reopening of wages and economic questions, it can hold its closed shop indefinitely. The only thing it will have to worry about is a petition to rescind the closed-shop contract signed by more than 30% of the employees covered. This is a highly likely development in most closed-shop situations. In this two-month period, therefore, widespread union efforts may be expected to extend union security provisions of present contracts.

In vetoing the Taft-Hartley act, President Truman charged that it would "invite conflict," that it was "dangerous and unworkable." Sen. Taft replied that this was a misrepresentation based on the assumption of the worst possible administration of the law. That is putting the finger on the big question for business: How will the general counsel and the five men who will be on the NLRB make this law work?

Handled in different ways, the new statute can contribute to stability, or to conflict and confusion, or become a dead letter. Which will it be? With great stakes in the balance, industry and the nation will await the answer which will come only from experience.

REPRINTS AVAILABLE

Copies of this Management Guide to the Taft-Hartley law will be available in reprint form in about two weeks. Single copies will be mailed to Business Week subscribers upon request without charge—to nonsubscribers for 20¢. Additional copies will be billed at the rate of 20¢ apiece. On orders of 11 or more, quantity prices will be quoted on inquiry. Address orders for reprints to Paul Montgomery, Publisher, Business Week, 330 West 42nd Street, New York 18, N. Y.



We're not Doing You a Favor!

In these days of critical shortages, some firms seem to consider it a favor to provide a needed product. But here at Ryerson you'll find no seller's market complex. Every inquiry is still regarded as an opportunity to serve and every order a compliment to our organization.

Prompt shipment of steel from stock is our business. When we can deliver needed steel, we're more than glad to do it. The thanks belong, not to us, but to you for letting us work with you.

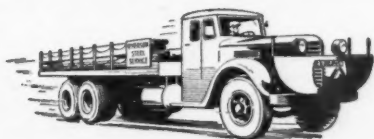
That's the way we have done business for more than 104 years—through good times and bad, and that's the way we continue to operate.

Much as we'd like to handle every item on all your orders,

present conditions often make this impossible. But stocks of alloys, stainless bars, seamless tubing, and many other products are in good supply at each of our twelve plants, and products or sizes out of stock today may be available tomorrow.

So contact your nearest Ryerson plant for prompt, personal service. We may not always have all the steel you need but we'll certainly do everything possible to take care of you.

Joseph T. Ryerson & Son, Inc. Steel-Service
Plants at: New York, Boston, Philadelphia,
Detroit, Cincinnati, Cleveland, Pittsburgh,
Buffalo, Chicago, Milwaukee,
St. Louis, Los Angeles.



RYERSON STEEL



Signs of a record year: windows full of cameras; stores full of customers.

Amateur Photography Booms

The war created new enthusiasts for this national hobby. It also created shortages of cameras, accessories, and supplies which have not yet been made up. Result: a record year for the industry.

The clicking cameras of a hoard of picture-takers are piling up sales dollars for the nation's photographic industry.

• **Record Year?**—After years of war-induced abstinence, amateur photographers are starting to practice their favorite pastime in earnest. Manufacturers, distributors, and dealers expect record-breaking business in 1947. With but one exception, sales probably will be limited by the amount of supplies and equipment that can be turned out.

That exception is photographic paper. There, production appears to have caught up with demand—so much so, in fact, that Eastman Kodak Co. last week put 1,500 employees of its paper division on a four-day week.

• **Vacation Help**—Summer business, it is hoped, will straighten this situation out. For summer is the period when picture-taking reaches its most frenzied heights.

Industry people point to three reasons for the current heavy business:

- The war taught lots of persons—in military service and in war plants—about photography and its uses.
- A generation of American youth, unable to obtain cameras during the war,

is now beginning to satisfy its shutter-snapping urge.

• **Vacationers** are expected to be about four times as numerous as in prewar years. And cameras have become standard vacation equipment.

• **Capacity Operations**—Producers of photographic supplies have been working virtually at capacity for months. But reconversion problems and raw material shortages have prevented them from catching up with demand. Only in recent months have supply lines and dealers' shelves been reasonably well filled with standard merchandise. And even yet there are shortages.

The photo dealer has his problems, too. He isn't going to be able to get all of everything he can sell. Here's the way the supply situation lines up:

Cameras. There aren't enough good, moderate-priced cameras—those in the \$15 to \$50 price range. They're starting to appear on dealers' shelves, but not in sufficient quantity to satisfy demand. Good used cameras are still in demand. Cheap cameras—often of dubious value—and higher-priced cameras are available. But the public is getting more selective. So dealers may face the pros-

pect of cutting prices to unload of the cheap merchandise.

Christmas buying should be a after the vacation season ends, a popular-priced camera may not adequate supply until early 1948.

Film. Production still is perhaps short of demand, despite record of Roll film will be less difficult to this summer, but chances are will not be enough to go round of the height of the vacation season, film and film packs may be easier during the remainder of 1947.

Amateur motion picture film continue short through the summer.

Accessories—The shortage of bulbs is still acute. One manufacturer says production is up 40% over but demand is up 250% and still rising.

Some advanced amateur and professional photographers may have difficulty obtaining all the accessories they desire.

• **Trends**—Photo supply manufacturers like the auto makers, are too busy plying current demand to tinker with new products or merchandising innovations. Mostly they are confining efforts to rounding out their lines.

But they are devoting a lot of search to new products and processes. And they are studying trends in trade. Here are some of the trends to see:

Color photography is increasing popularity. Only lack of color processing facilities is holding this back. The average photographer can use color with most cameras. But it still takes an expert to process the film.

Flashlight photography is catching hold in a big way. This is still an expensive fad: Flash bulbs cost about a penny a piece, can be used only once. People like to have flash attachments on their cameras for occasional use, however.

The 35-mm. "candid" camera is declining in popularity. These cameras got their start mainly because color film was available in 35-mm. size. Today color film can be bought for most camera sizes.

Home movies are growing side by side with the rest of the camera business. Cost is again a factor here.

GAS PINCH TIGHTENS

Standard Oil Co. (Indiana) this week began allocating gasoline deliveries to dealers in 12 midwestern states. Serving the area which oilmen predicted would most likely suffer from shortages (BW Jun. 7 '47, p10) it will hold deliveries at summertime, 1946, levels. The company blamed its situation on inability to expand transportation and refining facilities sufficiently to meet a 15% rise in demand.

Standard Oil Co. of Ohio announced it would accept no new customers for heating oils until further notice.

le Against P.U.D.

Court rejects sale of Puget
Power into public owner-
Delay in decision caused by
on state's highest bench.

Public power took it on the chin last
But it was only one blow in a
that is scheduled to last many
rounds.

Olympia, Wash., the state
Court rejected one of the big-
public utility deals in the country:
Proposed sale of Puget Sound Power
Light Co., Seattle, into public own-
for \$135 million (BW—Aug. 25
4).

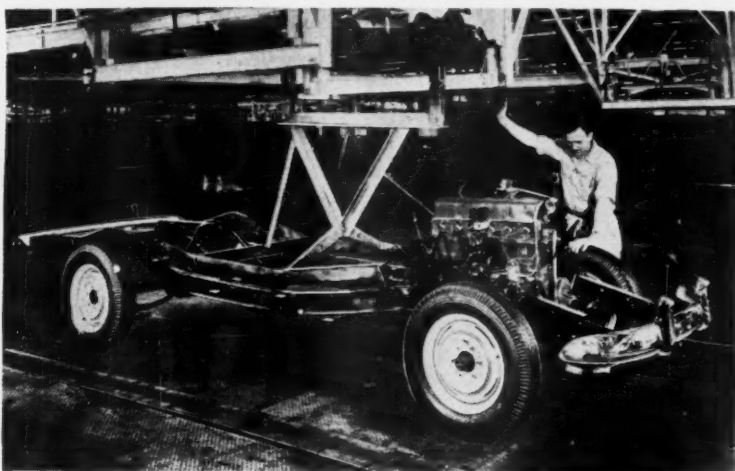
It was the news. Behind the
was a strange interplay of forces
led to a serious clash on the
state bench. That, in turn, led
delay that brought criticism in the
press. The charge: While the
dallied, Puget Power stock values
profiting.

Chief Justice J. A. Mallery and four
ates admitted the delay, and gave
defense in advance of the deci-
Eight members of the court, they
ed, were split four to four. For
eks they had been waiting for the
former Chief Justice William J.
d, to make up his mind how to
Prodded by the publicity, he
did vote—and swung the decision
at the sale.

Guy C. Myers, the Wall Street
ater who engineered the sale of
the power companies in Nebraska
Peo—May 19'45, p. 38), was behind the
Power deal. In behalf of the
Utility District of rural Skagit
ra (pop., 37,650), Myers proposed
ame the \$135 million in revenue bonds
the purchase. (This would
returned \$18 a common share to
holders.) The Skagit P.U.D. then
dismember the electric utility
resell the pieces to P.U.D.'s in
counties that are served by Puget

test suit was brought before the
Court to remove any doubt
the legality of the sale and the
ity of the bonds. Essentially the
ion was this: Has the Skagit P.U.D.
authority to buy a large, integrated
utility operating company, 95%
BW—those revenues come from outside
County?

Magic—The five-man majority
that the primary purpose of the
utility district law was to provide
ical energy for residents of a dis-
within a county. Further, the
rity for a district to buy property
in and without its limits" could
be stretched to sanction purchase



New assembly line at Flint moves on overhead monorail at bench height.

Monorail Conveyor for a Car a Minute

Some new ideas in how to manu-
facture automobiles were laid open
this week at the new Chevrolet as-
sembly plant in Flint, Mich. Instead
of being placed along the floor, al-
most all of the 4½ miles of new con-
veyor lines are suspended from mono-
rails (above). This permits assembly
men to work at bench level.

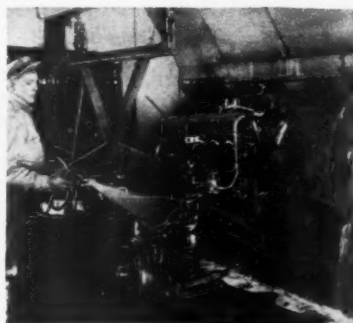
Workers also exercise a degree of
control over the line's speed by a
"power-and-free" conveyor system.
At intervals along the line the power
chain does not move the assembly.
This leaves the chassis for the worker
to push along by hand for a short
section. At these points incomplete
work may be held for catching up—
or the chassis may be pushed right
on to the powered section if it's
ready.

The chassis line later divides into
two final assembly lines. Each of
these travels at half the speed of the
original line to allow time for finish-
ing the more painstaking body work.

All paint spraying (right) is di-

rected toward waterfall booths, where
air suction draws the spray into the
water. This permits operators to work
without masks.

The new plant, employing about
3,500, is able to turn out a passenger
car every minute and a truck every
three minutes. The property includes
10 buildings with floor area of 1,250,-
000 sq. ft.



Worker sprays entire chassis as it
passes on powered overhead line.

of the largest private power system in
the Pacific Northwest. Said the court:

"There is in the words, 'within or
without,' . . . no magical abracadabra
that enables any district to go into the
electric power business on the basis
here contemplated. The facilities here
sought to be acquired are unreasonably
large and entirely inappropriate for
the accomplishment of the primary
purpose of the Skagit District."

Two dissenting opinions detailed the
disagreement of the minority with this
stand.

• **Pressure From Grange**—The State
Grange, sponsor of the original P.U.D.
law, touched off the fireworks early this

month: It criticized the court for delay
and suggested an investigation. Within
24 hours Mallery and his colleagues re-
vealed the split—and the reason for it.
(At that time the stock was commanding
an over-the-counter price of 13½, with
12½ bid.) Publicly they told Millard:

"The standing of this court will be
affected if it should be established that
stock market manipulation can be di-
rectly attributable to the manner in
which this court functions or fails to
function."

• **Stock Drop**—With the former deci-
sion, the bid price for the stock dropped
1½ points overnight to 11. Simulta-
neously the four minority members, in-

Are you up-to-date
on Business Conditions
in **Latin AMERICA?**



Here is the second in our current series of Trade Analyses — sent direct from BRAZIL by an Irving Officer while traveling in Latin America...

DEVOTE a few minutes to each of these reports, and you'll be up-to-date on business conditions in the leading Latin American countries. They contain factual information and background material particularly valuable to those trading with such an important but ever-changing market.

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cluding Mallery, and one of the city, issued a detailed statement the handling of the case. They re that the court reached its decision Jan. 31, but that in the inter time Millard had changed his p twice, finally winding up with th vote that he had cast in January

Angered by the decision. He Carstensen, master of the Grange for a special session of the legi He declared that Justice Matthe Hill, who wrote the majority o should have disqualified himse fore Hill was elected to the ben served as paid secretary to a ci committee on a referendum in The referendum, which Hill's mittee opposed and which failed, have allowed P.U.D.'s to band to to buy out an entire electric company (BW-Oct.21'44,p36), disclaimed any bias.

• **Other Outs?**—P.U.D.'s now are sidering other means of skinnin cat. Myers, whose commission v have been \$1,310,000, proposed en of a nonprofit corporation to bu company and distribute its par P.U.D.'s, much as was done in braska.

Although officials of Puget declined to comment, the "for sale was plainly hanging out. "There magic of management," they have "That will offset the tax and money advantages of public power

In 1930, taxes took 5% of the pany's gross; last year taxes took Further, Puget's financing, by tional and sound methods of priva eration, made its annual capital more than double what they wou to a government competitor.

• **Tough Spot**—Puget Power is tough spot. It cannot refund its issues or obtain long-term new r for construction while P.U.D.'s th to take it over by purchase or con nation. In Seattle, the company's est single market, Puget competes a strong municipally owned sy Costly duplicate distribution line up and down every street of the The company's franchise in Seattl pires in 1952, and the city has al served notice on the company th will not be renewed.

Seattle officials opposed the sa Skagit. They were not agains principle of public ownership, but concerned over disposition of Pu Seattle properties. Who would op the system in Seattle? Myers said S would sell to Seattle. But the prio dicated—around \$33 million—was beyond any figure Seattle officials v consider. If Seattle refused to buy, Skagit, a county of one-tenth Sea population, would be operating a p system in competition with the city

One thing is clear: the P.U.D.



MINUTES GALORE were found for unobtainable materials. In one shop using 1340 items of raw material, 950 substitutes were made in 9 months—as many as 4 items. Production mounted fast!



ENDLESS SLEUTHING FOUND SUPPLIES for Bell System. 1946 purchases, including raw materials, from 15,000 suppliers, ranged from pencils to telephone poles, precious metals to wood pulp, exceeded \$250,000,000.



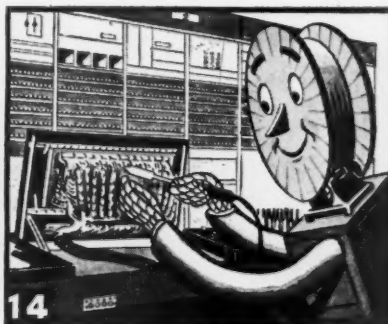
WORKING 'ROUND THE CLOCK got the most out of plant. In 1946 Western Electric delivered to the Bell Telephone Companies more apparatus, equipment and supplies than in any other year in its 77-year history.



COAST TO COAST, Western Electric's shipping force rushed to deliver equipment supplies to the Bell System. Each of 29 shipping houses, across the nation, stocks 10,000 different items.



REPAIRING WORN TELEPHONE EQUIPMENT has long been another job of the 29 distributing houses. The speed with which they put equipment back on its feet helped in meeting record telephone demands—faster!



INSTALLING CENTRAL OFFICE SWITCHBOARDS and equipment in some 1200 localities monthly kept Western Electric's installation crews busy in '46. Thousands trained in this specialized work. Force is now 25,000.

ere's what it adds up to"

Results in '46

Western Electric furnished the Bell Telephone Companies with equipment and supplies which helped them provide 3,264,000 additional telephones to subscribers—more than twice the increase in any previous year.

Western Electric's record-breaking production helped the Bell Telephone Companies handle 7 billion more telephone calls in '46 than in any previous year.

Outlook for '47

Western Electric schedules call for far greater production in '47—for such enormous amounts of equipment as:

- Dial exchange equipment to handle, when installed, 2,222,000 additional lines;
- 8410 manual switchboard positions;
- Nearly 4,000,000 telephones;
- Telephone cable of all types containing over 49 billion feet of wire.

This tremendous output in '47 will go a long way to help the Bell Telephone Companies meet the nation's unprecedented demands for telephone service.

MANUFACTURER ...
of 43,000 varieties of telephone apparatus.



PURCHASER ...
of supplies of all kinds for telephone companies.



DISTRIBUTOR ...
of telephone apparatus and supplies.



INSTALLER ...
of telephone central office equipment.



Western Electric

A UNIT OF THE BELL SYSTEM SINCE 1882



IT WON'T BE TOO LONG NOW

Coolness

worth waiting for

Cordley

ELECTRIC WATER COOLERS

CORDLEY & HAYES, 443 4th AVE, NEW YORK 16

Distributed in Canada by

NORTHERN ELECTRIC CO., Ltd. ★ CRANE, Ltd.

Now catching up with demand

haven't given up. If Myers' non-corporation idea fails, their next probably will be to amend the P. law to sanction the purchase.

TITANIUM FINALE

The U. S. Supreme Court knocked the wind out of an old Justice hope again this week. Although the court upheld titanium monopoly charges against National Lead Co. E. I. du Pont de Nemours & Co. rejected Justice's contention that they be required to throw their titanium patents open to all royalty-free. However, the companies must make them available at a "reasonable royalty."

The department charged that the two corporations had built up a domestic and international cartel in titanium through cross-licensed patents. A lower court ruled that there was a monopoly. It ordered the defendants to grant licenses under their patents on a "reasonable royalty" to any competitor granting reciprocal privileges.

But Justice was not satisfied. Daunted by a previous Supreme Court decision against the royalty-free principle, the department carried its case to the high court. The companies appealed from the monopoly ruling.

... the **HIGH** road
and the **LOW** road

Puget Power anticipates much-predicted TVA in providing benefits for the electric customer. Reddy "Mac" Kilowatt certainly makes a penny go a long way. For the 12 months ended June 30, 1966, the average annual use of Puget Power residential and rural customers was 80% MORE, and the average rate per kilowatt hour was 11% LESS than the corresponding averages for domestic customers in the TVA area.

PUGET SOUND POWER & LIGHT CO.

UNDERSELLING TVA

To some, Tennessee Valley Authority represents Uncle Sam's gift to power-poor areas. But to Puget Sound Power & Light Co., Seattle private utility, it's a plush individual in silk hat and cutaway.

With this symbol, which appeared in ads of northwestern dailies, Puget Sound continues the power rate war. The ad contrasts high-climbing TVA with private power's "Reddy Kilowatt," who moves briskly along on low levels. As if to prove that all's fair in war, Puget is a customer of another federal power project—Bonneville.



4. TOM SMITH, has been with the family for years. Here he is seen cutting seed spuds for planting. The Beldens raise about 32,000 pounds of potatoes a year.



5. THE YOUNG FOLKS love marshmallow toasts. The fireplace was built by Grandpa Belden of Indian arrowheads and stones gathered from the fields on the farm.



6. SANDY BELDEN collects arrowheads . . . a hobby in which Grandpa is a big help. "But there are no more Indians," regrets the youngest Belden.

live anywhere else"

says Luther Belden, a Yankee farmer in
New England's beautiful Connecticut Valley

4th in a series of living portraits of "Good People to Know"

LUTHER BELDEN *could* live somewhere else. With his industry and skill he could succeed anywhere. But he's happy where he is.

For up and down the road out of Hatfield, Massachusetts, are many friends he cherishes. He and his family are content. Devoted to each other, they are also devoted to the family homestead and its ancestral acres.

Under Luther's guidance his land yields an enviable living from potatoes, onions, tobacco.

There will be ample money to send the kids to college. Life is comfortable and pleasant. Shops, movies, and all the cultural advantages of a New England community are within easy reach.

This warm story of a Country Gentleman family appears in *Country Gentleman* for July. It will bring new inspiration to many another *Country Gentleman* reader . . . and it will help to give you a picture of the full life which millions of America's farm families have earned and are enjoying.

The best people in The Country

turn to *Country Gentleman*
for Better Farming, Better Living





Financial muscle for a steelmaker...

THIS robust tale harks back to 1810 when the Lukens Steel Company was known as the Brandywine Iron Works and Nail Factory...suppliers to the early blacksmith trade and later the first to roll boiler plate in America. The business called for strong metal and strong men. It still does.

The going has not always been smooth for Lukens. Like so many industrial pioneers, the Company has had to weather a succession of world-wide depressions. The big one in 1929 forced them to retrench...cut plant expenses to the bone. By 1937 plant renewals, vital to the firm's operation, could no longer be postponed. Lukens dug deep into long-husbanded reserves.

Plants were overhauled...but Lukens' working capital suffered a

severe drain. The Company came to the Bank of Manhattan. They found the Bank prepared to look beyond current emergencies, to assess the firm's record of growth, the soundness and ability of its management. From the Bank, Lukens borrowed much-needed financial strength.

Today, Lukens operates the largest plate mill in the world...and along with its two subsidiaries, By-Products Steel Corporation and Lukenweld, Inc., continues to pioneer in developing wider uses for steel plate products.

The Bank of the Manhattan Company stands ready to work shoulder-to-shoulder with reputable, enterprising businesses and to assist with counsel and funds to promote their growth and stability.



Bank of the Manhattan Company

NEW YORK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Local Stockyard

Small yards, auction b...
spring up all over the Mid...
Farmers like the idea beca...
gives them more say on p...

Decentralization is more and...
the order of the day in livestock...
keting. The trend has been notice...
since the thirties. But it took the...
time meat shortage to provide the...
boost.

A couple of decades ago, the av...
farmer took his hogs or cattle to...
nearest railroad shipping point. ...
he had loaded them on the train...
could do no more than hope that...
would bring a good price at the ...
yards. If they didn't, he was sit...
out of luck.

• **Not Any More**—He is no long...
helpless. Throughout the midwe...
farm belt, hundreds of small local...
yards and auction markets (or...
barns) have been established. Today...
farmer merely telephones the com...
sion buyer at the nearest one, find...
what price he can expect. If he is...
sified with the quotation, he loads...
stock into his truck and starts for...
If not, he stays home, and calls ag...
few days later.

In Indiana there are now 138 s...
licensed stockyards and 77 sale ba...
That's in addition to the bigger, fe...
ally posted yards in Indianapolis, ...
fayette, Evansville, Muncie, and ...
Wayne. Iowa has 175 of these loc...
markets. Texas 157, Nebraska 117.

• **Co-ops Join In**—The trend has...
given an additional boost by indi...
tion. The big marketing co-ops...
had always operated through the ma...
stockyards were hit hard by decent...
zation. They found that the big pack...
were depending less and less on the...
major markets for their supplies. ...
meant less aggressive bidding for...
co-ops' offerings.

Their answer has been to open loc...
yards on their own. In Indiana, the...
Producers' Marketing Assn. has open...
a number of yards in the state's ho...
raising areas, plans up to a dozen u...
mately. In Ohio, the Eastern Or...
Buying Co. (subsidiary of the Produ...
Cooperative Livestock Marketing Ass...
of Columbus) has taken similar steps.

• **Goal**—These two organizations...
working closely together. Their goal...
market around one-third of the hog...
compared with the 15% to 18% of t...
volume which they have today. Tha...
they believe, would be a large enou...
proportion to exert the desired levera...
on prices.

Operators of the older stockyard...
aren't quitting without a fight. But

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PLUG IT IN



... NO WATER CONNECTIONS REQUIRED



Silver brazing bellows assemblies with new 750-watt TOCCOTRON.

NEW LOW-COST TOCCOTRON

the portable bench-type induction heating unit

HERE is an induction heating machine that's as simple to hook up and operate as a portable radio. The new 750-watt (output) TOCCOTRON operates from a 110-volt, 60-cycle supply and does not require any water connections. This simplicity of installation *increases the flexibility* of induction heating. You can set up this compact bench-type unit

easily and quickly in any location for small or large runs . . . to adapt induction heating readily to changing production requirements. It is designed primarily for silver brazing and soldering but can be used for hardening, annealing or forging (within its power capacity). Available for immediate delivery.

Mail the coupon for complete details.

THE OHIO CRANKSHAFT COMPANY

FREE
BULLETIN

Mail Coupon Today

THE OHIO CRANKSHAFT CO.
Dept. W-6, Cleveland 1, Ohio

Send details on New 750-watt
TOCCOTRON.

Name _____

Company _____

Address _____

City _____ Zone _____ State _____



TOCCO

JUST PUSH A BUTTON



*"Look... I've just grown
another pair of hands!"*

NEW HANDS seem to sprout—the day that electronic dictating machines are installed in the office.

Amazed, grateful secretaries discover hours in the day they never knew existed. Hours that used to be spent chained to the

boss' desk. Hours that were crammed with shorthand. Hours formerly reserved for person-to-person dictation!

No wonder you can hear the sigh of relief—when speedy, efficient Dictaphone electronic dictation takes over!

A bright new day with **ELECTRONIC DICTATION**

With his secretary busy *outside* his door, a man can sit back and really think.

Alone . . . relaxed . . . he can talk all of his correspondence into the handy microphone. Letters, memos, reports—all of his dictation is speedily recorded.

Interruptions? Phone calls? Not with his secretary on the job—to protect him.

Dictaphone Electronic Dictation is the modern, efficient way of doing business. You'll find it doubles your working ability—as well as your secretary's!

Call your Dictaphone Representative for a demonstration today! For descriptive



literature, write Dictaphone Corporation, Dept. D-6, 420 Lexington Avenue, New York 17, N. Y.

DICTAPHONE *Electronic Dictation*

The word **DICTAPHONE** is the registered trade-mark of Dictaphone Corporation, makers of Electronic dictating machines and other sound-recording and reproducing equipment bearing said trade-mark.

appears to be a losing battle so far. The farmer-dominated Indiana legislature, for instance, recently made it easier to open a new yard or sale. It passed a bill removing the requirement that an applicant must prove convenience and necessity before obtaining a permit.

• **Phase of a Cycle?**—Some officials of the Dept. of Agriculture believe increasing decentralization is only a temporary phase of a cycle. They feel that the Midwest is going through the same cycle the southern states did years ago. In Virginia, for instance, there once were several hundred auction markets that now there are only a few. Even if this interpretation is correct, there will always be a lot of small markets in the Midwest. But the number will taper off from the present level.

Many of these same officials believe that farmers get the price advantage of the local markets that they do. They don't believe that big stock markets can replace the big stock markets not enough concentrated buying power. They say that, in the long run, a farmer gets a better deal by selling his stock in a big market through an experienced broker.

Case School Names Businessman As Head

Following a trend toward appointing businessmen in college management, the Case School of Applied Science and Engineering, Cleveland, announced this week the appointment of Thomas Keith Glennan as its new president. Glennan has been manager of general administration of the Anso Division of General Aniline & Film Corp., Binghamton, N. Y. As head of Case, he succeeds Dr. William E. Wickenden who is retiring.

Though Case isn't widely known, it is one of the other parts of the nation, Cleveland, the Great Lakes industrial region, and it is a leader in engineering technology. A major job of the Glennan regime will be to make Case a national institution. As an initial step along the way, Case will change its name on July 1 to Case Institute of Technology.

• **Well Off**—Glennan is free from financial worries that plague many institutions of higher learning. Case has an endowment of \$6 million, receives \$250,000 to \$300,000 a year from companies who bring in scientific puzzles for practical solution.

Case was founded in 1877. It attracted attention in the 1880's with experiments testing the reality of ether-drift. Herbert H. Dow made his original experiments in brine chemistry at Case. They later became the foundation of Dow Chemical Co.

Backers of recent research projects include Lubrizol Corp., Paint & V



Thomas K. Glennan: a businessman's path for a pioneering school.

Assn., Firestone Tire & Rubber Air Material Command, U. S.

Varied Career—Glennan is only 41. He was graduated from Yale's Sheffield Scientific School in 1927, later joined Western Electric. Then he was operating out of West Coast studios for Paramount and Sam Goldwyn. The government awarded Glennan the Civilian Medal for Merit in recognition for war-time work with the Navy's Underwater Sound Laboratory. When peace came, Glennan went to Ansco.

S.C.A.P. UNDER FIRE

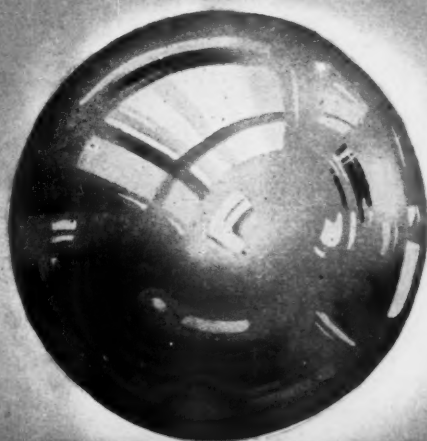
The worldwide harmony of the music makers struck a discord this week. The Dept. of Justice charged the American Society of Authors, Composers, and Publishers with being part of an international musical cartel.

A. S. C. A. P. owns performing rights in almost all American-made jazz and symphony music not in the public domain. That's all right with Justice. But in its suit filed in U. S. District Court in New York City, the Antitrust Division wants to break up A. S. C. A. P.'s exclusive licensing agreements with similar societies in 25 foreign countries.

Through an international confederation, the international cartel freezes out other U. S. authors' and composers' groups, the department claims.

The suit would (1) require A. S. C. A. P. to withdraw from the international confederation, and (2) prevent it from accepting music rights from any foreign society unless the music is made available to other U. S. composers' society.

The Justice Dept. seemed to have won its first objective quickly: The day the suit was filed, A. S. C. A. P. resigned its membership in the International Confederation of Authors & Composers Societies.



High Ball for Industry



In the old days, on the railroads, a ball was used to signal the trains. A high ball meant "Clear track—full speed ahead."

Today, other balls give the go ahead sign—this time, to industry. We speak of the tough, forged steel balls in

New Departure ball bearings.

Because these famous precision-made bearings are ball bearings, they give industry many advantages. New Departure ball bearings take heavy loads from *any* direction with a single bearing.

They support parts mounted in any position—hold them permanently in place with extreme accuracy. They permit higher speeds and *faster production*. They say—to all of industry—"Full speed ahead." Write for your copy of the free booklet, "Why Anti-Friction Bearings."

nothing rolls like a ball



NEW DEPARTURE forged steel BALL BEARINGS

6 VITAL ADVANTAGES

- Higher speeds
- Greater accuracy
- Simplified design
- Every kind of load
- Lower maintenance costs
- Less friction—less wear

3464-T

NEW DEPARTURE • DIVISION OF GENERAL MOTORS—BRISTOL, CONNECTICUT • Branches in DETROIT • CHICAGO • Other principal cities

How to get LOW-COST MONEY for any sound business purpose

Could you make more profit if your business had more operating cash? Send for our book, "A Better Way to Finance Your Business." Learn how little money costs... how much more you can get and how long you can use it... under our liberal, low-cost Commercial Financing Plan.



Send for this book TODAY

Telephone or write to the nearest office listed below.

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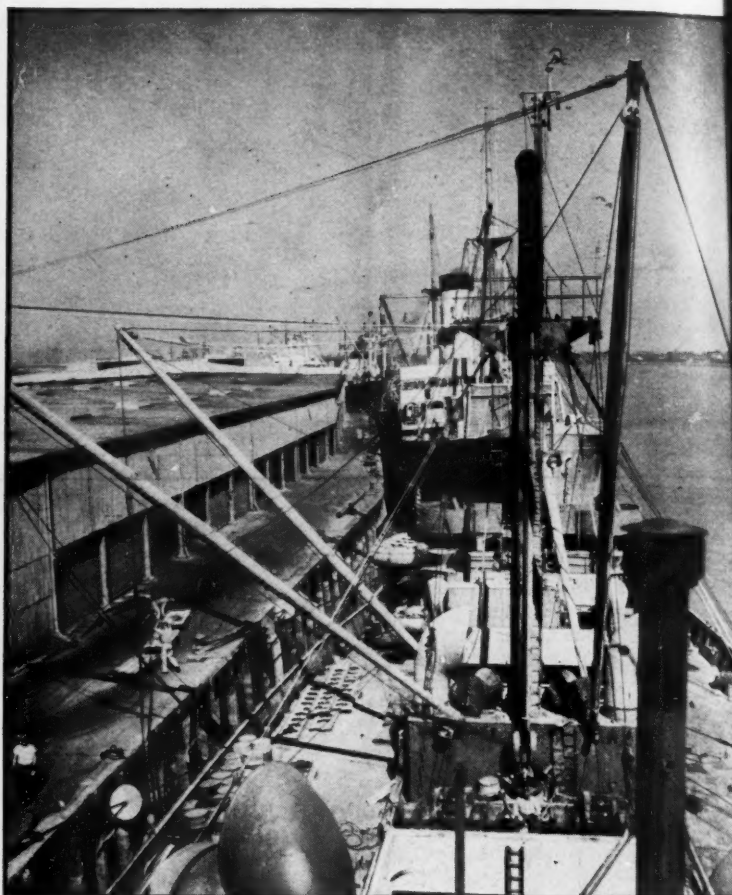
BALTIMORE 2,
NEW YORK 17,
CHICAGO 6,
LOS ANGELES 14,
SAN FRANCISCO 6,
PORTLAND 5, ORE.

COMMERCIAL CREDIT COMPANY

Capital and Surplus \$8,000,000
BALTIMORE 2, MD.

Offices in more than 300 Cities of the United States and Canada

MUNICIPALITIES



In traffic-jammed Port of New Orleans, everything is up.

New Orleans: Port of Envy

Dollar value, tonnage of exports and imports soar far above national average in early 1947. Latin American trade stressed. Other U. S. ports may adopt city's successful promotional methods.

Way down yonder in New Orleans, the citizenry is claiming lustily that its city has the fastest growing port in the nation. There are a lot of figures to back up its claim. And its record has caught the envious eye of many another U. S. port.

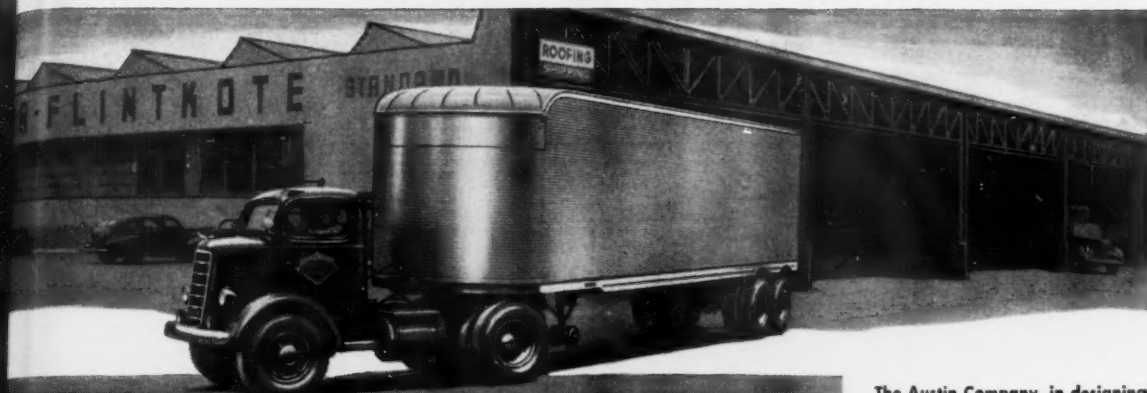
• **Greatest Increase**—The Port of New Orleans, according to the Dept. of Commerce, showed a greater increase in activity in the first two months of 1947 than any other U. S. port or customs district. There are at least four yardsticks to measure port activity: tonnage and dollar value for both imports and exports.

At New Orleans, dollar value of exports reached \$162,500,000 in January and February of this year—an extraordi-

nary gain of 107% over the corresponding period of 1946. This compares with a national average gain of 54%, with increases of 38% on the Atlantic Coast and 44% on both Gulf and Pacific coasts.

• **All Tonnage Up**—Export tonnage New Orleans was up 45% from 695,000 tons in the first two months of 1947 to 1,007,900 tons in the like months. The national increase was 19%. Atlantic Coast ports gained 1%, Gulf ports 1%; and Pacific Coast ports 16%. New Orleans and Port Arthur, Tex., were the only southern ports showing increases.

On the import side, shipments for first two months of 1947 were valued at \$61,300,000, or 54% higher than



A PLANT THAT'S ENGINEERED TO *Cut Handling Costs!*

Traffic in this busy industrial plant has been engineered for flexibility—with motor transport designed right into the building where loads and equipment are protected from the elements.

Pioneer Division—The Flintkote Company, makers of roofing materials, asphalts, asphalt emulsions, saturated felt, paper board, paper boxes and cartons, ships the major portion of their output by Truck-Trailers.

Their new building design virtually links plant production directly with over-the-road hauling by means of modern docks. Both their strategic location and design smooth the flow of goods out of the plant.

road loading platforms at truck-bed height simplify mechanical loading methods—an added labor-saver—which speed deliveries and help materially in cutting delivery costs.



In your plant improvements or new building design, it is mighty important to see that your planning committee includes
• Your Traffic Manager • Your Architect
• Your Engineer and Builder • And Your Motor Transport Operator.



• By adopting the Fruehauf "Shuttle" method of hauling, you can easily increase the earning power of your trucks.

ONE TRUCK
Handles
2 OR MORE
TRAILERS

FRUEHAUF TRAILERS

"ENGINEERED
TRANSPORTATION"

The Austin Company, in designing this structure, has provided two off-street docks like this to accommodate the most modern trucks and Trailers and with adequate provision for future business expansion.



This aerial view of the Pioneer Division—The Flintkote Co., Los Angeles, shows the magnitude of production facilities. Shipping of manufactured goods is largely by Truck-Trailers*. Two of the in-built shipping docks are pictured on the center avenue.

Experience has proved that all working together can gear trucks and Trailers with production and distribution so your business can be operated more efficiently and at lower cost. With these men on the job, you'll be sure of the proper solution to your building problem.

* Local hauling is handled by Teskey Transportation Co., Los Angeles, an exclusive Fruehauf user, with a fleet of 51 Semi-Trailers, equipped with Automatic Supports.

World's Largest Builders of Truck-Trailers

FRUEHAUF TRAILER CO. • DETROIT 32

10 Factories — 66 Factory Service Branches

IS THE HORSE HERE TO STAY?



Ask any dude at a western ranch. He'll tell you the horse is just about the greatest invention of all time! He takes you where cars can't go—down an old buffalo trail . . . to an unfished fishing stream . . . to try your luck at panning gold. And the best way to get to the horse is the North Coast Limited. Serving more dude ranches than any other railroad, Northern Pacific can take you to one that fits your ideas of fun . . . and price. And speaking of horses . . .



Here's the latest in horsepower! These five new Northern Pacific freight diesels pack 30,000 H. P. under their hoods. They're 200-footers—with ample muscle to hustle mile-long loads at express speeds, or scale mile-high mountains. Working with them on the Main Street of the Northwest are sleek new N. P. passenger diesels, pulling the North Coast Limited. Main Street keeps making news—big news to people of the 7 states we serve, to others who visit or do business with the West.

For vacation information, write E. E. Nelson, 108 Northern Pacific Bldg., St. Paul 1, Minn.



January-February, 1946. The gain on imports was 31%.

Import tonnage at New Orleans 59% better than the 299,600 tons registered last year. Total U.S. gain 18%.

• **Half the Story**—But figures alone not tell even half the story. More important are: (1) the devices employed to stimulate port trade in the City; and (2) the enthusiastic support given the drive by townsmen.

During the past five years, the state, and New Orleans business have put on a hard-hitting sales campaign. It has made midwestern southern manufacturers and shippers more aware of New Orleans' importance as a port. And it has made an impression on Latin American buyers.

• **Principal Channel**—The coordinated promotional drive is channeled through a number of agencies. International House, a nonprofit, nontrading organization to stimulate the growth of international trade, is the principal one.

Working with it are: the Board of Commissioners of the Port of New Orleans (the state port authority); Orleans Public Service, Inc. (the public utility); and Greater New Orleans Inc. (a business cooperative formed to advertise New Orleans' advantages worldwide).

In addition, local shippers and shipping lines cooperate by plugging their port in their national advertising.

• **Latin America Plugged**—International House does not sell anything—except itself and the central idea of bringing U.S. businessmen closer to those foreign lands. Because of New Orleans' strategic position in relation to Central and South America, the foreign emphasis is on Latin America.

International House provides conference rooms and private dining rooms in its own 10-story building (picture, page 41) for Latin American visitors. There are also bilingual secretaries who take dictation in Spanish or English. Other facilities offered are a good restaurant, a translating service, and a well-stocked library with all kinds of books, pamphlets, and magazines containing trade information.

Its World Trade Development Department, headed by astute, affable Michael Mora, helps to bring Latin buyer and American seller together. Mora and staff have often talked manufacturers into entering or expanding into the foreign field. They show them how. They sometimes even dig up the markets for them.

• **How It Works**—A farm implement maker in Demopolis, Ala., is in for a big selling today because of International House. The company president visited New Orleans, talked with Mora. He returned to Demopolis instilled with a general technicalities of world trade.

The n... with a list of 30 prospective buyers...
 w Orleans... pocket. Two weeks later, this...
 600 to... was in the export business: A Vene...
 J. S. gai... firm had placed an initial order...
 three wagons, three trailers, and 50...

B. Beaud of Shreveport, La., man-
 urer of oil well machinery and other...
 ructs, is now doing an export busi-
 throughout the world. International...
 se had a hand in its development.
 e are two cases of 2,500 contacts...
 e through International House in...
 en months.

rade Mart—An offshoot is the In-
 ternational Trade Mart. It will be oper-
 much like the Chicago and San...
 cisco merchandise marts—but with...
 international flavor. Like Interna-
 tional House, it will be a nonprofit set-
 The mart will feature displays of...
 n goods for U.S. buyers as well as...
 S. goods for the Latins.

ay Shaw, the mart's sales manager,
 determined to feature Latin goods.
 en leases were signed for 75% of...
 able space (before building con-
 struction had begun), he cut off further...
 estic sales. He then concentrated a...
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When the mart is completed in early...
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new Orleans' International House;...
 modern Tower of Babel where trade...
 language is the common tongue.



TRACTOR TOOLS for Greater WORK PRODUCTION

A "Caterpillar" track - type tractor, *plus* Hyster tractor equipment — and you're all set for the toughest jobs.

Hyster's tractor tools include winches, yarders, cranes, logging arches, and the Hystaway, a new unit that combines clamshell, dragline and crane in one machine.

The mechanical quality and rugged performance that distinguishes "Caterpillar" tractors are also basic features

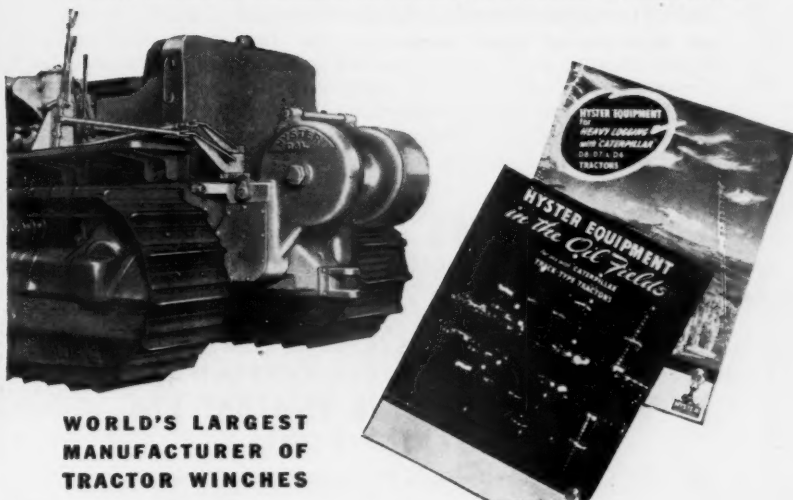
of Hyster products.

Hyster has specialized in "Caterpillar" equipment since 1929 and is the world's largest maker of tractor winches.

Ask the "Caterpillar" distributor near you for information. He sells and services Hyster tractor equipment, can give advice on the "Caterpillar"-Hyster combination that will increase your work production. Send for illustrated literature.

HYSTER COMPANY

2907 N. E. CLACKAMAS ST., PORTLAND 8, OREGON
 1807 NORTH ADAMS STREET, PEORIA 1, ILLINOIS



WORLD'S LARGEST
MANUFACTURER OF
TRACTOR WINCHES

"Sure, MATHEWS Builds *Heavy* Equipment"



A very high percentage of Mathews engineering time is devoted to the design of heavy equipment. The development of heavy-duty Roller Conveyers, heavy chain conveyers, and special conveying machinery for handling very heavy loads is a great part of Mathews complete conveying service to industry. Because Mathews package handling systems are so prominent, the question sometimes arises as to whether or not Mathews Engineers are at work in the heavy conveying equipment field. When this occurs, there is usually an experienced plant engineer who has seen Mathews Conveyers at work under severe conditions in foundries, brass mills or steel plants, and who will remark, "Sure, Mathews builds heavy equipment." — And he's right — for whether the weight of a load is rated in pounds or tons, if it must be handled, it is a job for Mathews Engineers.



MATHEWS CONVEYER COMPANY
ELLWOOD CITY, PENNSYLVANIA

MATHEWS CONVEYER COMPANY, WEST COAST
SAN CARLOS, CALIFORNIA

MATHEWS CONVEYER COMPANY, LTD.
PORT HOPE, ONTARIO

Engineering Offices or Sales Agencies in Principal American and Canadian Cities

at home and abroad. Permanent representatives will be stationed in key American cities.

• **Trade Council**—The Mid World Trade Council is an important factor in the scheme of New Orleans promotion. This group holds an annual foreign trade conference, which has been in International House the past years. Delegates are the foreign managers and shippers of the Mississippi Valley.

Largest advertising outlay is made by Greater New Orleans, Inc., concerned chiefly on attracting new industry. Each ad serves to promote the port. Industrial appeals are built around New Orleans' advantages for foreign trade. Some of the ads are devoted exclusively to port promotion.

New Orleans Public Service, Inc., is using Mississippi Valley newspaper advertising to promote the city's port.

• **\$75-Million Plant**—The port authority maintains offices purely for selling in Kansas City, Chicago, New York, New Orleans. Since its formation in 1896, the Board of Port Commissioners has constructed a port plant with estimated worth of \$75 million. It includes seven miles of modern quay wharves and steel transit sheds, a 2,000-bu. public grain elevator, and a 100,000-bale public cotton warehouse.

The board has also spent \$23 million to build an inner-harbor navigational canal which has provided water sites for many large industrial plants.

With space carved out of the authority's public cotton warehouse, a new foreign-trade zone was opened in spring. This is a customs-free, fenced zone where imports may be stored, repackaged before being reshipped.

Still in the planning stage is an ambitious project—a new tide-water channel to the Gulf of Mexico (B. Aug. 28 '43, p. 34). It has already been approved by the U. S. Army Engineers. The channel would shorten the 107-mile distance from the port to the sea by nearly 60 miles.

• **Efficient**—With what it already has done, New Orleans has made its operations big enough to rank second to New York in dollar volume of port business. It is no longer a one-way export outlet. Today it is a port handling an almost equal two-way traffic composed primarily of general cargo. It had the best ratio of export to import. The U. S. Army's survey of ports in 1945 showed that costs of handling cargo at New Orleans were less than at any other port of embarkation.

One result of this impressive record. Several other major U. S. ports are seriously considering adopting similar promotional methods. Perhaps justified then, New Orleanians boast that they have "the second port in statistics and the first port in efficiency."

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O.P. TO FCC

A "real Republican" has been appointed a member of the Federal Communications Commission. He is Rep. Robert F. Jones, an economy-minded Ohioan who heads the tough House subcommittee on Interior Dept. appropriations.

President Truman previously had reappointed Ray C. Wakefield, liberal California Republican, for another seven-year term to the FCC. But Republican congressional bigwigs renewed their protests against placing pseudo Republicans in minority-party jobs in bipartisan agencies. A few days after the Wakefield appointment was withdrawn, and that of Rep. Jones substituted.

The new appointee's qualifications: He served as his county's prosecutor before his election to Congress for five consecutive terms; he is part-owner of an Ohio radio station. Most important, he is a "real Republican."

WE DO, MOST DON'T

A "significant number" of city-owned airports—traditionally red-ink operations—are beginning to pay their own way. Said the International City Managers' Association this week, looking at the picture of one eye.

Scanning the picture out of its other eye, however, the association found the principal airport picture still isn't too pretty. Taken as a whole, operating costs of 55 of the major city-owned airports (including New York's) showed a deficit of \$1,055,000.

Among the higher profit-making local airports: Los Angeles, St. Louis, Dallas, Fort Worth, Oakland. Among those using a link to enter airport operations: Baltimore, Buffalo, Detroit, Philadelphia, San Francisco.

Signs of QUALITY

FOLLANSBEE ELECTRICAL SHEETS

FOLLANSBEE POLISHED BLUE SHEETS

FOLLANSBEE COLD ROLLED STRIP

In products of distinction

Strongly linked with the successful products in any market are the quality components, essential in economical manufacturing and profitable marketing—components like Follansbee Specialty Steels.

In spite of the long continued shortages of Follansbee Specialty Steels there has never been a departure from the strict metallurgical and physical characteristics which have made the name Follansbee synonymous with *Quality*.

Designers can always specify Follansbee Specialty Steels with assurance of acceptance by the production engineer, the sales manager, and the ultimate consumer. As additional supplies become available you can incorporate the Follansbee *Signs of Quality* in more and more of your products of distinction.

FOLLANSBEE STEEL CORPORATION

GENERAL OFFICES

PITTSBURGH 30, PA.

COLD ROLLED STRIP • ELECTRICAL SHEETS • POLISHED BLUE SHEETS
SEAMLESS TERNE ROLL ROOFING

Sales Offices—New York, Philadelphia, Rochester, Cleveland, Detroit, Milwaukee. Sales Agents—Chicago, Indianapolis, St. Louis, Kansas City, Nashville, Houston, Los Angeles, San Francisco, Seattle, Toronto and Montreal, Canada. Plants—Follansbee, W. Va., and Toronto, O. ☆ Follansbee Metal Warehouses—Pittsburgh, Pa., Rochester, N. Y., and Fairfield, Conn. ☆

WHY take a chance...



More than 35,000 lives have been saved with Irvin Type Air Chutes. Now Irving offers the sensationally new Custom-Built *Chair Chute*... a chute that makes flying decidedly safer... a chute with these important features:

- 1 **SIMPLICITY**... You don't need special training to use the Irvin *Chair Chute*.
- 2 **COMFORT**... You don't have to "wear" the *Chair Chute*... either in or out of your plane... except in an emergency.
- 3 **CONVENIENCE**... You don't have to carry the *Chair Chute* around or store it... it's always in your plane... in the back of the chair... ready for instant use.
- 4 **SAFETY**... The *Chair Chute* can be buckled on in a jiffy in an emergency... and you are ready for any eventuality.

Custom-Built *Chair Chutes* are available... now... for every type of cabin plane... large or small. Many well-known companies and individuals are installing these new *Chair Chutes* in their planes... for added protection in flight. Write for circular and full particulars about this new kind of protection for the plane you own or plan to buy.

There are now over 35,000 registered members of the Caterpillar Club. Should you qualify, please write us.

FEEL SAFER...BE SAFER...with

IRVIN Custom-Built CHAIR Chutes

Illustrations show Irvin Custom-Built *Chair Chutes* installed in Beechcraft and Ercoupe planes. The chairs have the same beauty and comfort as deluxe airplane seats... plus the "built-in" safety of an Irvin Chute. *Chair Chutes* do not take up extra space... cost little... are easily installed. Get them for your plane.



IRVING AIR CHUTE CO., INC.
1668 JEFFERSON AVENUE, BUFFALO 8, NEW YORK

Transit Hopes

Only two hurdles in
of latest Chicago plan to
street surface and El lines: sal
ing security holders, refinanc

A modern, fast transit system, plete with subway, is a will-of-the that has eluded Chicago for 50 But many Chicagoans this week th they could at least see one. A plan unified system (the sixth since the surface lines lost their franchise, into receivership in 1927) was hailing distance of success. It would solidate the sprawling streetcar with the rickety and antiquated elev lines.

• **In the Way**—Only two hurdles stand in the path of the deal to sell Chicago Surface Lines and the Chicago Rapid Transit Co. to the city-owned Chicago Transit Authority created years ago to take them over (BW-July 45, p63).

• **First hurdle** is a legal delay. Senior security holders of the Surface Lines were frozen out of any share the sale price as set by this plan. They still have until July 21 to make an appeal to the United States Supreme Court.

• **Second hurdle** is the problem of raising an estimated \$100-million issue revenue bonds secured only by earnings of the consolidated companies. This would yield the money to pay for properties.

If the junior bondholders do appeal to the Supreme Court by July 1, C.T.A. plans to advertise the new bonds for sale July 23, take over the properties Aug. 31.

• **Terms and Plans**—Last April, a federal court approved the sale of the companies to the Transit Authority for a total price close to \$88 million. Of the sale price, senior bondholders of Surface Line companies were to get \$75 million, plus undistributed cash in the lines' treasury. Sale price for Chicago Rapid Transit Co., operator of the elevated lines, was set at \$12,162,500. A portion of the bond issue funds that are remaining will be used for working capital and to take care of the reorganization of the lines.

If the bond issue is marketed successfully, C.T.A. plans to launch immediately a ten-year, \$152-million modernization program of the consolidated system. Eight hundred new streetcars—600 of them already ordered by the Surface Lines—and 2,725 new buses, including 675 on order, will be added. One thousand new steel subway-elevated cars will replace 40-year-old wooden "El" cars. Negotiations to buy suburban bus lines

GAS Streamlines MAINTENANCE

...for **GREAT NORTHERN Streamliners**

duce, by eight hours, the time required for a vital road maintenance operation—that's real progress in road shop practice.

improve results and decrease costs—they're important considerations in maintenance and service shops in industry.

double production by utilizing the automatic controllability of GAS—that's sure to interest operating executives.

These were the gratifying results cited by the Great Northern Railway in St. Paul, Minnesota, when referring to their Gas-fired coil and armature oven.

Generators and motors, up to 3-tons each, are baked during varying periods at precise temperatures to dry them thoroughly following routine service cleansing, vacuum degreasing and varnishing. Automatic GAS controls permit two complete baking cycles daily in place of one cycle prior to the installation of Gas-fired Equipment, resulting in greatly increased shop capacity in the same space.

The advantages of GAS and modern Gas Equipment for industrial heat processing have been proved in thousands of manufacturing plants. Your local Gas Company's Industrial Representative will describe the ways in which GAS can serve you.

MORE AND MORE...

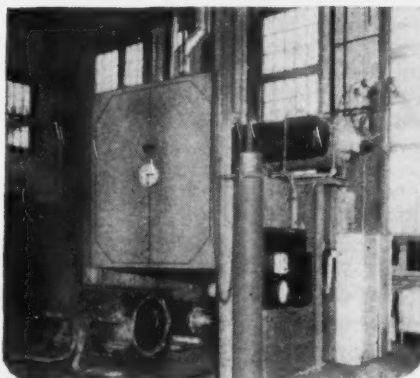
THE TREND IS TO GAS

FOR ALL
INDUSTRIAL HEATING

Great Northern Shops at St. Paul, Minn.



Gas-fired coil and armature oven in the electrical shops of Great Northern Railway.



Gas-fired Oven installed by Despatch Oven Co., Minneapolis, Minn.

AMERICAN GAS ASSOCIATION

420 LEXINGTON AVENUE • NEW YORK 17, NEW YORK



To Turn Ground Time into Flight Time

THE NEW PARKER

UNDERWING FUELING EQUIPMENT

If you fly at a cruising speed of, say 275 mph, you're losing 23 revenue miles every five minutes you're on the ground. You can save those miles—with the new PARKER underwing fueling tank valve and mating hose nozzle.

For example, in actual operation, the new Martin 202 has been gassed up—1,000 gallons—in 8 minutes! By ordinary methods it would take at least 50 minutes.

But time is not all you'll save. Underwing fueling is *safer*—no climbing on icy wings, no open fire hazard. It's *cleaner*—no dirt can blow into the tank, and there's no overflow to spill on the runway. It's *easier on maintenance*—no scraping over de-icer boots and wing surfaces.

PARKER Underwing Fueling Equipment (to specifications approved by the Air Transport Association) is designed to handle up to 200 gallons per minute. Can you save on-the-ground time at that rate? Let us furnish complete details.

Parker

TUBE FITTINGS • VALVES

THE PARKER APPLIANCE COMPANY

17325 Euclid Avenue • Cleveland 12, Ohio

Offices:

New York, Chicago, Los Angeles, Dallas, Atlanta
Distributors in Principal Cities

OTHER PARKER AIRCRAFT PRODUCTS

• Tube Fittings—AN standard and flareless types.

• Fuel Valves—shut-off, selector, including motor-driven.

• Hydraulic Valves—check, relief, restrictor, shuttle, etc.

• Air and Vacuum Valves, Swing Check Valves.

• Engine Primers, Strainers, Drain Cocks.

Write for Bulletin A41, reviewing PARKER Aircraft Products.

and the Chicago Motor Coach operator of buses on the city's wards, are hanging fire until the face Lines-El sale is completed.

An investors' syndicate headed by Harris, Hall & Co., First Boston Corp. and Blyth & Co. is expected to buy the bonds. Currently the bankers' engineers analyzing probable trends and auditors estimating probable earnings on which to base an offer for the bonds.

• **Green Light?**—C.T.A. officials—dominantly Chicago businessmen—bankers—are optimistic that both lines will be cleared away in time to complete the transfer of the property at the end of August. They are confident that the court will deny further appeal from the sale and believe the issues involved have already been adjudicated.

They are equally confident of success for the bond issue, scoff at doubts that the consolidated lines can earn enough to pay off the bonded debt. They are creating the Transit Authority required to charge fares sufficient to pay operating costs and service on the lines. Hence they insist that the issue will be a sound investment. They count on savings from consolidated operation, a tax exemption, and increased revenue from more traffic attracted by faster, better service. These, they feel sure, will bring in enough to cover bond service and modernization.

Best estimate is that present 9¢ fare lines fare will be raised to 12¢ that elevated fares will remain at the present 12¢ level. The Surface Lines have already requested the 1¢ increase in order to cover wage increases now in the mill.

• **Doubters**—Skeptics doubt the system ever can be made to pay out, without consolidation, and pooh-pooh the idea that revenue bonds will pay. They insist that eventually the C.T.A. will require tax assistance—as in many other cases of public ownership of transit systems. They discount savings from combined operation and tax exemption, point out that the Surface Lines (7% of total traffic) are losing money on the 9¢ fare. Wages and pension fund charges, already too heavy for comfort, cannot be expected to decrease the new contract—or after the contract takes over.

If the bond issue should fail, the tangle will be back in the court. Best guess is that then a new attempt might be made to reorganize the Surface Lines separately, to get them out of receivership. But unless the city administration does an about face, change of a separate Surface Lines reorganization are small. In hope of finally achieving unification, Chicago for 20 years has refused to grant the car lines a separate franchise.

MARKETING

Courting the Women's Clubs

Industry recognizes more and more the potentialities of vast market, launches drive to capture it. "Program packages," magazine help get products before meetings of 30 million members.

Industry is becoming more and more aware of a cheap, effective way to reach one of its selling objectives. That is courting "the women's club market" a term which has crept into the lingo of distribution during the last ten years. Source of Influence—The clubs themselves have been going much longer than that. But it has only been comparatively recently that marketing men have realized that inherent in the concept of women's clubs was the concept of the women's club market. This is an offshoot of a more fundamental recognition: that people can best be reached through the organizations to which they belong to.

Fast as it is, nobody knows just how many women are included in this market. Even those closest to the subject admit the tenuous nature of the figures they use. But Agenda, a new magazine published by Printer's Ink for program chairmen of women's clubs, estimated the total membership of all clubs as almost 30 million.

There is undoubtedly considerable duplication of membership in these figures. It is certain that the market consists of a heavy proportion of those "leaders" who influence others. It is also probable that the club membership contains more upper middle class

women than does the population as a whole. Thus when marketers reach out to sell clubwomen, they are throwing their hooks at families with better than average buying power.

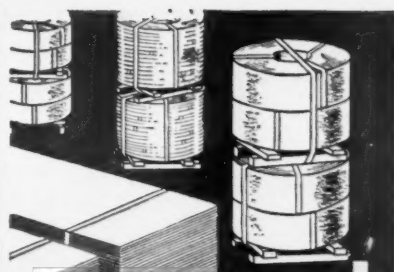
• **Frustration**—Industry's recognition of this market has not been without its frustrations. The rub has been how to reach it. Purchased mailing lists are likely to be few and incomplete; state and national federations jealously guard their lists for fear of exploitation.

But other avenues were open. Some manufacturers have hired speakers and listed them with speakers' bureaus. This is effective but limited; a speaker can cover only one club a day. Some buy advertising space in magazines published by state and national federations of women's clubs. Some have employed the services of the Women's Club Service Bureau. (This is a division of Sally Dickson Associates, a somewhat specialized advertising agency.) The bureau prepares a "program package" for its clients, mails it to its own list of 12,586 clubs, and handles requests for other clubs which hear about the literature and want it.

• **Program Package**—Industry developed the "program package" to supply the needs of the harassed leaders of women's clubs who must not only plan a year's



If industry writes its story well, the nation's clubwomen will study it.



STRIP and SHEETS



cold-formed into

**TUBING
MOULDINGS
STRUCTURALS
PANELS, ETC.**

These and other shapes are accurately, uniformly, and at a big saving in cost, continuously produced from coiled strip the Yoder way. Whether you wish to make such things for re-sale or for use in your own products, Yoder automatic high-speed cold-roll-forming and electric tube welding equipment will place you in a most favorable competitive position. A standard Yoder Slitting Line will profitably convert coiled strip or sheets into narrower widths for your various needs.

With a Yoder Roll-Forming Machine you may include auxiliaries for leveling, edge trimming, welding, embossing, curving, beading and other operations, with final flying cut-off—all synchronized at speeds of 100 to 200 f. p. m. You can do it all with Yoder equipment, perfected and standardized through 36 years' experience.

Literature — Consultations — Estimates

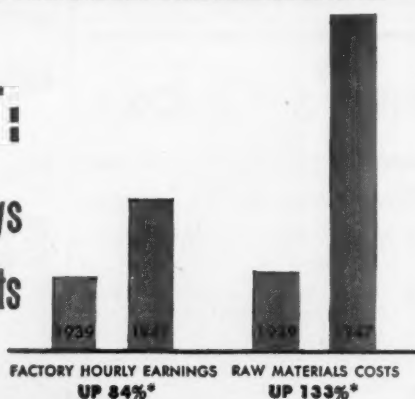
THE YODER COMPANY

5530 Walworth Avenue • Cleveland 2, Ohio

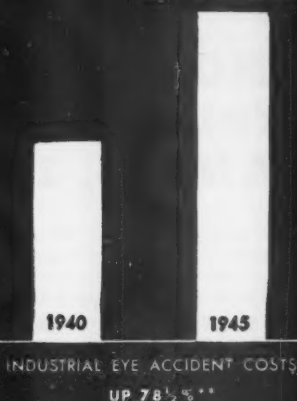


MANAGEMENT:

In these days
of Rising Costs



HERE'S ONE EXPENSE THAT CAN BE LOWERED



Eye accident costs are one expense you *can* be ruthless about cutting. Safety goggles that prevent 98 percent of all eye accidents average only \$1.50—a "petty cash" per worker investment that may save you thousands of dollars annually. Get all the facts. Ask your AO Safety Representative for details about what an adequate protection program can do *for you*.

* U. S. Department of Labor.

** Last period for which industrial eye accident data are available. This cost percentage-wise is unquestionably higher today.



American Optical

COMPANY

Safety
Division

SOUTHBRIDGE, MASSACHUSETTS
BRANCHES IN PRINCIPAL INDUSTRIAL CITIES

schedule of meetings for their group but must also help member-speakers stage their respective programs. Type of most packaged programs is the "Grooming Portfolio" which the Women's Club Service Bureau prepared and distributed for Bristol-Myers Co. It includes:

- Detailed instructions to the program chairman for planning and conducting the meeting.
- Outlines of talks to be given by the member speakers on: Good Grooming Routines, Good Health and Good Looks, and Data on Daintiness.
- The wall charts captioned: For a Well-Groomed Look, and Perspiring Healthful, but—.
- Suggested lead-in questions for the chairman to plant in the audience, and suggested answers for her to use.
- A printed quiz by which each member can check up on her personal grooming.
- A form on which the chairman can report the results of her meeting to the bureau if she wants to be that cooperative—and many do.
- Four sample reference leaflets and return postcard on which program chairmen can order enough copies that each member can take one home. In effect, the leaflets are textbooks that go along with the lectures. They are the only literature in the package which the manufacturer's name and brand name of his product appear.

Such a program as this costs an advertiser a retainer fee of \$4,000 plus production costs.

• **Twist**—For United Wallpaper, Inc. the Service Bureau has thought up an unusual twist. Recipients of its "program package"—now being mailed for use during next season's program will be invited to write to the company for a packet of 20 United Wallpaper samples. The twist: The packet is free but will be sold for \$1. Meanwhile the company is telling its dealers of what is afoot and advising them to tie in with the women's clubs in their own town.

This, however, is a delicate matter. For the clubs will not stand for presentation of material in too obviously commercial a form. Thus the Service Bureau will warn dealers not to get too openly promotional.

In this connection, American Vycose Co., a major U. S. producer of rayon, limits its annual package presentation much to a description of rayon. It hopes that whatever benefits the industry will benefit the company.

• **Free Enterprise Plug**—Brand Name Research Foundation (BW—Jun. 17, p. 72) has sent out a package which plugs the free enterprise system. The package contains, among other things, a play that shows that brand names are essential to the continuation of that system.

Agenda, whose editor, Theresa Bod



IT'S COME A LONG, LONG WAY

ly automobiles ran—and that's
as much as you could say for them.

in the last generation the horseless
riage has blossomed into a super-
powered land cruiser with up to 150
horses" under its bonnet.

When you praise the genius of Ameri-
can automotive engineers, remember,
that the petroleum industry had a
to do with it—for at each new stage
the automobile's development, pe-
troleum research was ready with new

and better gasolines, tougher motor oils
and vastly improved greases and gear
lubricants.

Contributing in no small way to this
efficiency of the petroleum industry is
The M. W. Kellogg Company—identi-
fied with petroleum refining and proc-
essing for the past 35 years.

In engineering a refining unit, M. W.
Kellogg does more than just install a
standard unit for the production of oil
or gasoline. It focuses attention pri-

marily on the refiner's specific needs—
making certain, through the most search-
ing study, that the unit to be installed
will be the one best suited to each
owner's particular requirements.

The M. W. Kellogg approach to diffi-
cult processing problems has earned for
this company a unique position in cre-
ative industrial engineering—not only
in the petroleum field, but also in the
development of atomic power, and the
processing of non-mineral oils, chemi-
cals and natural gas.

THE M. W. KELLOGG COMPANY

NEW YORK • JERSEY CITY • HOUSTON • TULSA • LOS ANGELES • TORONTO • LONDON • PARIS

A SUBSIDIARY OF PULLMAN, INC.



Stop Rust!

THIS FREE BOOKLET TELLS HOW



- Apply Rust-Oleum directly over any rusted surface—wet or dry.
- No flame cleaning or sandblasting necessary—simply wirebrush to remove loose paint, rust, scale and dirt.
- Rust-Oleum is easy to apply—brush, dip or spray.
- Covers 30% more area per gallon... goes on 25% faster—provides important savings in time and manpower.

Rust-Oleum is a positive rust preventive that gives lasting protection for rustable metals. Rust-Oleum penetrates rust... incorporates it with the film... and forms a tough, elastic film that outlasts ordinary materials two or three times. Rust-Oleum adds years of life to machinery, steel work, sash, fire escapes and other industrial property. Available in a wide variety of colors.

Write TODAY for Catalog of industrial applications.

RUST-OLEUM CORPORATION

2423 Oakton Street, Evanston, Illinois
Distributors in Principal Cities

UNIT 357 MOBILE CRANE



FOR YARD OR HIGHWAY
LIFT—LOAD—DIG—HAUL
WITH ONE OPERATOR... ONE ENGINE

EASY AND ECONOMICAL TO OPERATE

UNIT'S FULL VISION CAB
DESIGNED FOR SAFETY & EFFICIENCY
OPERATOR SEES IN ALL DIRECTIONS!



Write for catalog showing UNIT'S many modern and exclusive features.

UNIT CRANE & SHOVEL CORP.
6526 WEST BURNHAM ST.
MILWAUKEE 14, WIS., U. S. A.

Wells, was formerly with Good Housekeeping, will attempt to give companies pretty much the same facilities that program packages do. It will sell advertising of "sponsored programs" to no more than 10 noncompeting advertisers each issue. Its editorial columns will also feature material that will be useful to club chairmen. The magazine will appear quarterly this year and monthly in 1948. Its initial circulation guarantee is 30,000; its goal is for at least a circulation of 100,000.

• **Objectivity**—The chief value of intermediaries such as the Women's Club Service Bureau and Agenda to the club-women market is that their objectivity overcomes the program chairman's aversion to using material from obviously commercial sources. Hardly less important is the guidance from experts who know how to prepare the kind of educational material women's clubs will use.

It is clear that industry can fill a definite need of the clubs. State and local leaders of women's clubs never have had much trouble in stirring up interest and discussion at meetings on such subjects as politics, international relations, labor, and prospective legislation. But the clubmembers are women, housewives, and mothers before they are anything else. Their basic interests are in the same highly practical things most manufacturers want to sell them. And it is about such things that manufactur-

ers can supply them with the knowledge they need.

• **Popular Topics**—This was plain year when the Service Bureau surveyed its mailing list to determine topics popular with women's clubs. The order, in this order, was: interior decoration, plastics, good grooming, home building, insurance, budgeting, meat, nutrition, air travel, electrical household equipment, home laundering, home accident prevention in the home, heating the home, and dental hygiene.

Many discerning manufacturers have already made good use of these pre-interests in homey subjects. Many will soon take up the job of reaching their best customers through their clubs.

FORD TRACTOR CAMPAIGN

One of the largest advertising budgets in the farm machinery industry is back up the introduction of the Ford tractor (BW—Nov. 23 '46, p17) and Deborn farm equipment starting July. About \$2 million will be spent by Deborn Motors Corp. in the following months on advertising, sales promotion, merchandising, and sales training.

Details of the promotion plans have been given to distributors and suppliers of the Ford Motor Co. subsidiary, Frank R. Pierce, Dearborn's president. Complete programs will be announced at distributor-dealer meetings in 33 cities during the last two weeks of July.



FROM A MOTORIST'S POINT OF VIEW

Outdoor advertising men have long felt the need for a device to give them a motorist's speeded-up view of their highway projects. The copy research department of Batten, Barten, Durstine & Osborne, advertising agency, has come up with an answer. It's an electrically operated viewer, regulated so that posters swing into view and disappear—just as they do when seen from a moving car. The agency, having pretested several outdoor campaigns in this manner, has discovered that differences not apparent in the poster sketches showed up readily in the testing.

INTERNATIONAL POWER

Pacemaker of Progress



Looming larger every year—on the horizon of things to come—International Diesel sets the pace for progress in the industrial power field.

Outstanding in performance and matchless for operating economy are the Diesel tractors and engines which bear the International name. For they were designed and built by forward looking men whose resources of spirit and substance are nowhere else excelled.

And every step they take is done to ease the heavy work of other men—to

multiply their power ten thousand times—to lift their burden of toil and set them free.

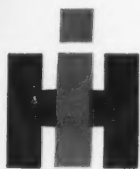
In this conception of service the men of International Harvester now bring forth the new and better Diesels of tomorrow; yet never rest on laurels won. They press ahead, forever striving to advance still further the effectiveness of human labor.

Industrial Power Division

INTERNATIONAL HARVESTER COMPANY
180 North Michigan Avenue Chicago 1, Illinois

Tune in James Melton on "Harvest of Stars" Sunday! NBC Network.

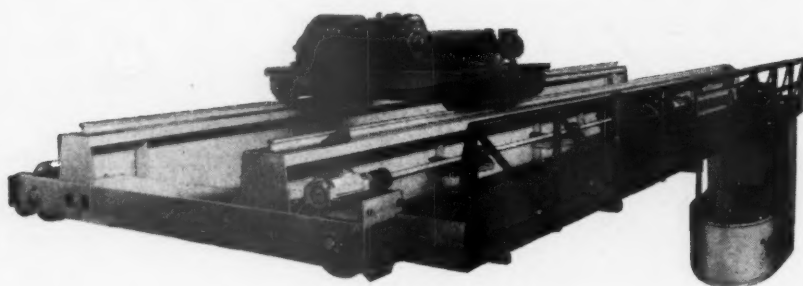
INTERNATIONAL Industrial Power



Other
International Harvester
Products:

FARMALL TRACTORS
AND MACHINES

MOTOR TRUCKS
REFRIGERATION



VISIBILITY PLUS!

The Pulpit Type Operator's Cage is an important 'plus' value in the new 'Shaw-Box' Type "SB" standardized Electric Traveling Crane. In it the crane operator has visibility plus—a degree of visibility never before available to a crane operator. He's out where he can see up and down the crane-way. There are no obstructing corner posts to interfere with a



Pulpit Type Operator's Cage

clear view of the space the crane serves. And, the controls are arranged for his convenience.

Among the other plus values built into this new crane are: Anti-friction bearings throughout to reduce power consumption; higher than usual hook lifts to give greater utility; all mechanisms operating in oil to reduce wear and maintenance; and double braking system with large self-contained mechanical load brake to insure accurate load control and safety. Each of the 'plus' values contributes towards greater economies in operating and maintenance costs.

In the new 'Shaw-Box' Type "SB" Crane you not only get all the 'plus' values contained in it but everything else that should be in a heavy duty electric traveling crane. The only thing you do not get is the opportunity to change its design or specifications.

• • •

The first multi-motored Electric Traveling Crane was designed by A. J. Shaw, the founder of the Shaw-Electric Crane Company—the parent of the Shaw-Box Crane Division of Manning, Maxwell & Moore, Inc. "Shaw" Crane No. 3, fifty-seven years old, continues doing its daily work and we still supply replacement parts.

Tell us your requirements and we will gladly submit a proposal on this 'plus value' Crane!



"Shaw-Box" Cranes

MANNING, MAXWELL & MOORE, INC. • MUSKEGON, MICHIGAN

Builders of 'Shaw-Box' Cranes, 'Budgit' and 'Load Lifter' Hoists and other lifting specialties. Makers of Ashcroft Gauges, Hancock Valves, Consolidated Safety and Relief Valves and 'American' Industrial Instruments.

Furniture Colors

Home furnishings industry plugs program which shows buyers what colors go together—even if they are colorblind.

The home furnishings industry is busy reinforcing the foundation of its color house. Its tool: the Basic Home Furnishings (B.H.F.) color program, initiated by the Home Furnishings Selection Council in 1946. Its purpose: to make it possible for anyone, even the colorblind, to decorate a room in harmonizing colors.

Last week the council began to plug the program in earnest. It mailed 11,000 buyer's color-guides to the nation's home furnishings retailers. From a current membership of 100 retailers the council expects to grow to 2,000 in two months.

• **Packaged Harmony**—The program designed to coordinate manufacturers' and retailers' efforts to sell more home furnishings and make more money at both.

The device for accomplishing this is the B.H.F. color scheme. The council will select 15 standard, or B.H.F., colors. The colors may be changed once a year by a committee that is composed of manufacturers and retailers. But the changes to be made in the colors used in any year must be announced at least three months before the opening of each season.

• **Business Spur**—Manufacturers favor the program because they feel that it will spur retail sales, hence increase their sales to retailers. Nor are they blind to the fact that making goods in the fewer standardized colors will cut production costs. Those participating will devote a large part of their production to items in these colors. And they will tag their products with the B.H.F. color-names before shipping them to the retailers.

The retailer will have a color card explaining just which B.H.F. colors go well together. Thus a customer buying a rug can select chairs, lamps, wallpaper, draperies, and paint in harmonizing colors, without any knowledge of color whatsoever.

To add novelty (and possibly confusion) to the plan, the council has renamed its 15 standard colors. Blue for example, is being called Great Lakes; peach is Santa Fe; and grey is Great Smoky.

• **Big Names**—The council has 70 manufacturer members, including many big names. Thus it estimates that 60% of all current rug production, 45% of all wallpaper, will carry the B.H.F. label of the new color program.

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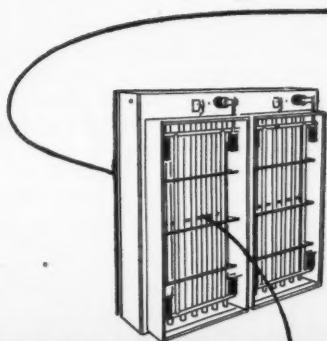
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Every time you dial a number
you profit from clean air



CLEAN air plays an unseen part in the quality of many products and services that you enjoy daily. A striking example is the dial phone on your desk.

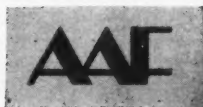
The dial telephone system, called the "biggest machine in the world", is also one of the most intricate and sensitive ever developed. Housed in your local exchange are innumerable small metal contacts which respond to the flick of your dial to select one number from the thousands listed in the directory. The tiniest dust or soot particle on the contacts may result in a poor connection or a busy signal. In the interests of better service and reduced maintenance, modern dial exchanges are equipped with AAF Electronic Filters to assure super-clean air for the protection of this vital equipment.

It will pay you to analyze how much dirt and soot are costing you in soiled merchandise, building maintenance, defective products or labor turnover. And the man with the answer to the problem is the American Air Filter representative. He brings you a broad personal knowledge of this specialized field plus a complete line of product designed and built by the leading manufacturer of air filter equipment. If we are not listed in your telephone directory, write us direct.

AMERICAN AIR FILTER COMPANY, INC.

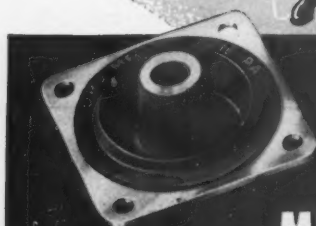
387 Central Ave., Louisville 8, Ky.

In Canada: Darling Bros., Ltd., Montreal, P. Q.



AIR FILTERS
AND DUST CONTROL EQUIPMENT

Vibration Attacks Your Product From All Directions



Isolate It Completely
with **NEW LORD**
MULTIPLANE MOUNTINGS

a new standard of product performance . . .

Vibration now can be isolated from your product, through a greater range of frequencies *regardless of the direction of disturbing forces* . . . with new **MULTIPLANE MOUNTINGS** pioneered by Lord. Here, then, is a brand new standard of vibration control . . . and a brand new opportunity to boost performance standards and product sales.

Lord **MULTIPLANE MOUNTINGS** not only provide all-directional freedom—universal softness in all planes—but are simple, compact, one-piece mountings that give your design engineer the plus advantages of complete protection with less weight, easy installation, at very reasonable cost.

Like all Lord Products, **MULTIPLANE MOUNTINGS** feature the same *permanently-bonded-rubber-in-shear* principle that has made Lord first in the field of Vibration Control and Bonded Rubber Products. Put this specialized experience, backed by Lord research and engineering, to work on your problems. We'll be only too glad to serve you.

For more information write for Bulletin 106

Lord **MULTIPLANE MOUNTINGS** are ideal for instruments, electronic equipment, and other devices of high sensitivity, not to mention other applications including engine-generator sets, air-conditioning units, pumps, blowers, etc. Features like these insure vastly improved performance:

- Simple, low-weight, one-piece construction.
- Easy, convenient, low-cost installation.
- Long life thru large bonding area—low bond stress.
- All-directional softness from multiple shear areas.
- Progressive cushioning of shockloads by snubbing shoulder.

LORD MANUFACTURING COMPANY, ERIE, PA.

FIELD OFFICES { New York, N.Y. Providence, R.I. Washington, D.C. Detroit, Mich. Chicago, Ill. Burbank, Cal.
Canadian Representative: Railway & Power Engineering Corp., Ltd., Toronto, Canada.

Getting in Step

Like larger firms, Jamison Co. finds selective distribution of national brands, multiple-unit selling, boost its sock sales.

James Jamison Co., New York's moderate-size hosiery firm, has borrowed some plain and fancy marketing techniques from larger companies. The first step was to set up national brands, and next, to adopt selective distribution. Then the company began to push multiple-unit sales.

• **Method**—The company is not a producer itself. Instead, it coordinates production and marketing for four hosiery mills: Joseph Plack & Sons Co., Marshall Field & Co. (Manufacturing Division), W. B. Davis & Son, Inc., and Sulloway Hosiery Mills.

Before the war these mills produced over 100 different brands of hosiery, which Jamison distributed through about 400 wholesalers, retailers, and jobbers. Under the new plan the mills turn out four brands which are marketed



HEARD BUT NOT SEEN

Yes, the lady is charming, and Maico Co., hearing aid makers, intends her to stay that way. In the folds of her ear she wears a new hearing aid, one of flesh-tinted plastic, and almost impossible to spot. Sound waves are carried through a Lucite tube from a tiny receiver concealed in her hair. Gentlemen, with or without hair, will probably bury the receiver under their collars. Maico agencies retail the unit for \$25.

ough fewer than 40 carefully selected contributors. Approximately 90% of the contributors handle all four brands, super department and specialty stores in their areas.

Selectivity in Outlets—National brand is not the only idea that Jamison has taken over from larger businesses. The Bigelow-Sanford Carpet Co. and Golden Co. (BW—May 3 '47, p. 58), Jamison now exercises considerable selectivity in choice of outlets.

Under the old sell-to-anybody plan, one or three distributors often covered the same market. Other markets were covered at all. The company merely divided the nation's trading areas, divided all cities and towns into "key cities" (5,000 and over), "nonkey cities" (1,000 to 5,000), and "towns" (under 1,000). Jamison discovered that its old distribution method often bypassed key cities and dotted nonkey cities with outlets. The sales approach was so haphazard that in many cases the company had no idea to whom wholesalers were selling.

The subsequent changes Jamison made in distribution are illustrated by its experience in marketing a men's sock called Bachelors' Friend. The sock was made in 28 styles by Joseph Black & Sons Co. The first thing Jamison did was to cut the styles from 28 to eight. Then the company divided the U. S. into 28 territories, picked out one strategically located distributor in each area. To them the company gave exclusive franchises; it also suggested methods of selecting retail outlets and training salesmen in its new sales techniques.

Estimating Woman's Power—Jamison's research has proved that more than three-quarters of the nation's men's sock buyers are women. Therefore the biggest pitch should be made to the female market. To attract women the company advises stores to plug the sock's economy and length of wear without mending.

To boost sales further Jamison borrowed another large-business trick: the multiple-unit sale. Like Coca-Cola's six-little carton and Sylvania Electric's package of five light bulbs, Bachelor's Friend came in a multiple package, six pairs to a box. The company now pushes it as a sales unit, backs it up with a guarantee. If the six pairs wear out in less than six months, the manufacturer replaces them free of charge with six new pairs. Jamison's research had shown that the average sale consisted only of two pairs.

The company urges retailers to stress sanitation in wearing the socks. Its tests show that this increases the life of a sock by permitting more thorough drying after washing; the fibers expand and gain their resiliency.

Results—To date Jamison is pleased with its results. In 1946, material short-



WOULD YOU PAY 3¢ A DAY FOR A QUIET PLACE TO TALK?

You can't expect visitors to be impressed with the way you do business if office noise drowns out everything they say. Yet it costs only 3¢ a day per person, figured over a few years, to end unwanted noise with a ceiling of Armstrong's Cushiontone.

You save many ways when you install Cushiontone. Freed from the constant irritation of noise from clattering machines, shrill bells, and loud voices, your workers will get more done, make fewer mistakes, stay fresh and alert much longer.

Cushiontone assures permanent relief from noise. Cleaning and repainting don't affect its efficiency. Each 12" square of Armstrong's

Cushiontone has 484 deep fibrous holes which absorb up to 75% of the sound that strikes the surface of the ceiling.

Cushiontone is a good reflector of light, too. Ask your local Armstrong contractor to show you how economically you can provide a quiet place to work with Cushiontone.

WRITE FOR FREE BOOKLET, "How to Exterminate Office Noise Demons." It gives complete facts. Armstrong Cork Co., Acoustical Department, 4706 Walnut St., Lancaster, Pennsylvania.

CUSHIONTONE IS A REG. TRADE-MARK.

ARMSTRONG'S CUSHIONTONE



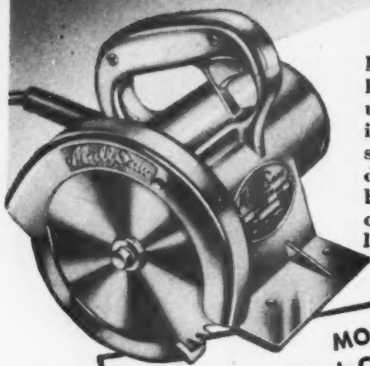
Made by the Makers of Armstrong's Linoleum and Asphalt Tile

**Carpenters... Farmers... Hobbyists
Builders... Repairmen... Contractors**
HERE'S THE

Saw for You

MODEL
60

Mall Saw
REG. U.S. PAT. OFF.



Priced within reach of every budget, this handy, electric saw is tops for all-around use on your construction jobs, your farm, in your factory, and your home basement shop. It cross-cuts and rips rough or dressed lumber up to 2 inches thick... can be equipped to cut light gauge metals... operates from any regular electrical outlet. Write for Complete Catalog.

MODEL 60
6 Inch Blade—2 Inch Capacity

MALL TOOL COMPANY
7768 SOUTH CHICAGO AVE., CHICAGO 18, ILLINOIS

SUPERIOR

is the word for

R.C. Allen



... IN KEY CALCULATOR... is a truly outstanding business machine

- ★ It adds, subtracts, multiplies
- ★ It has fully automatic division
- ★ Its 10 KEYS allow fast touch system
- ★ It clears with touch of single key
- ★ It shows all three problem factors at same time
- ★ It occupies less desk space than a letterhead
- ★ It is small, versatile, dependable...

The famous R. C. Allen
10 KEY CALCULATOR

Manufacturers of
10-KEY Calculators, Portable
and Standard Adding Machines,
Bookkeeping Machines,
Cash Registers, and Calculators.

R.C. Allen Business Machines, Inc.

GRAND RAPIDS 4, MICHIGAN

ages held its mills down to 50% capacity and sales were no problem. The company turned its energies sharpening up its sales techniques. Year the mills are operating at 65% capacity, and the company's sales methods are banishing its people's worries about the soft-goods market getting softer.

Jamison still considers 1947 a year, however. When all the figures in, the company will consider the advisability of adding distributors and drawing boundary lines. Meanwhile will just go on selling all the socks it can make.

Broadcasters Postpone Survey of "Circulation"

How to measure the size of a station's audience has long been a question. For a while the broadcasters thought that, maybe, they had found the answer. Now they're not so sure. • "A.B.C." for Radio—About 10 years ago (BW—Oct. 7 '44, p. 94) the National Assn. of Broadcasters, the National Assn. of Advertisers, and the American Assn. of Advertising Agencies published the Broadcast Measurement Bureau. It was supposed to do for radio what the Audit Bureau of Circulations was doing for newspapers—determine the exact "circulation" for the benefit of potential advertisers.

B.M.B. worked hard to find a proper method of performing its job. It thought it had it. It took its first survey last year—supposedly the first in a regular series. But last week B.M.B. announced that the second survey has been indefinitely postponed pending completion of a long-range study of methods of radio-audience measurement.

• Standards Sought—This study was an attempt to evaluate all types of listener measurement. Not until an unimpeachable set of standards has been set does B.M.B. feel that another survey should be conducted.

Research will be undertaken in cooperation with some university, still to be selected. For that purpose the bureau will establish a two-year university fellowship to examine such audience yardsticks as the program ratings compiled by C. E. Hooper, Inc., and B.M.B.'s own surveys. The two have often confused, even by broadcasters. Actually, B.M.B. measures the number of persons who listen regularly to a particular station or network; Hooper measures individual program popularity among those listeners.

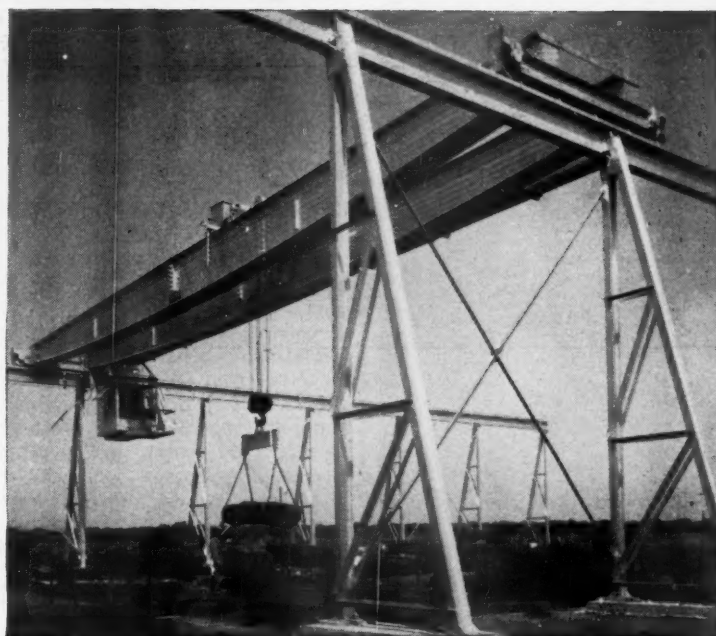
• Rumor Squelched—Incidentally, scotch rumors that it would buy the Hooper firm, B.M.B. made public a letter it had sent to Hooper. The letter

to 50... that since B.M.B. had decided not
problem... undertake immediate measurement of
energy... gram audiences, it was not in a posi-
techniques... to consider Hooper's proposal that
at 65... his company.

The Patent Office is now accepting
applications for trademark registrations
under the Lanham Act (BW—May 17
1947). The office has also published
new rules and regulations governing
trademark registration and practices un-
der the act.

Master-Phoenix, Inc., Cleveland plas-
tic machinery manufacturer, will devote
entire advertising budget for the
next few months to helping its custom-
ers get more business. Drop in plastics
demand (BW—May 17 '47, p. 16) has put
a terrific crimp in the machinery mak-
ing business.

Alden's, Inc., Chicago mail-order
store, is introducing coordinated
names (Aldenaire, Aldenette,
etc.) in its new fall-winter catalog. The
catalog, largest in the firm's 58-year his-
tory, is sectionalized into five "super
shops" and 29 "specialty shops." It in-
cludes a true color chart to help women
and girls select ensembles that are agree-
ment in their color combinations.

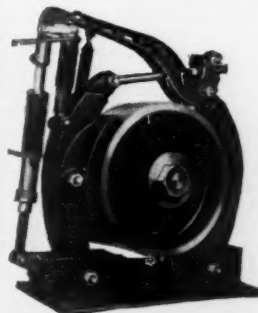


PLAYING JACKSTRAWS WITH STEEL

This giant overhead crane makes child's play of lifting a 5-ton handful of steel rods. With the adroitness of a jackstraws player, it picks them up carefully, easily from a pile and deposits them quickly, precisely on a flat car for shipment. It's skillful, exacting work for the crane operator, with massive power reduced to finger and toe control.

This crane is equipped with a Wagner Hydraulic Braking System, making quick, accurate stops as easy as stopping an automobile. Just a slight pressure on the foot pedal accurately spots the heaviest loads. Wagner industrial braking systems reflect the sound engineering and excellence in manufacturing which has been characteristic of Wagner products for over 55 years.

Bring your industrial braking problems to the Wagner trained field engineers in the Wagner branch nearest you. There are 29 Wagner branch offices located in principal cities throughout the country. Wagner Electric Corporation, 6460 Plymouth Ave., St. Louis 14, Mo., U. S. A.



Wagner

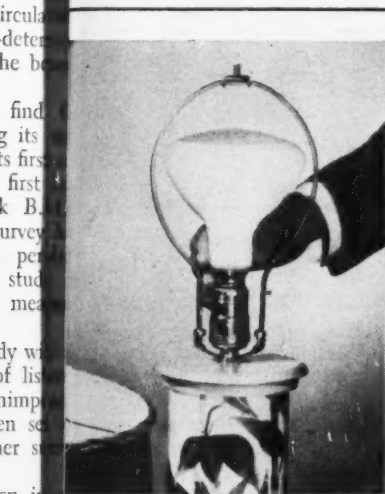
QUALITY PRODUCTS



SINCE 1891

ELECTRIC MOTORS • TRANSFORMERS • INDUSTRIAL BRAKES • AUTOMOTIVE PRODUCTS

247-4



TIE-IN FOR BULBS

The new bulb works fine; it
furnishes indirect light upward,
diffuses light downward. But it
won't fit inside conventional lamp-
shade supports (sometimes called
harps). So to make sure the sale
of the new bulbs isn't hampered,
Sylvania Electric Products is offer-
ing its own harp at 20¢. The com-
pany believes the installation is a
cinch for amateur electricians. For
butterfingers, lamp dealers will do
it for 50¢. The bulb and harp
combination costs \$1.45.

Sales Help for Petroleum Marketers



Are your lubricants for sale here?

If you are interested in sales of "premium" quality lubricants, Monsanto can help you by recommending and supplying additives that will give you oxidation stability and protection against bearing corrosion, plus any range of detergency and dispersancy your sales strategy requires.

This ability to provide additives that meet your predetermined specifications is backed by extensive engine-test laboratory facilities and wide experience in the formulation of improved oils to meet today's more severe motor requirements... Contact Monsanto for recommendations and assistance that will increase the performance of your lubricants and your sales... MONSANTO CHEMICAL COMPANY, Petroleum Chemicals Department, 1700 South Second Street, St. Louis 4, Missouri.



SERVING INDUSTRY... WHICH SERVES MANKIND

PRODUCTION

Better Stampings—Bigger Sales

Clearing Machine Corp. tools up for a broader market improving design of small and medium power presses. Aim: more accurate pressed parts, longer life for expensive dies.

Press-forming of metal parts assumed new importance during the war. This time-tried industrial technique—familiar in making such things as auto bodies and machine housings—was adapted to the production of parts carrying heavy stresses. In many cases, production men found that pressed metal, properly designed, could replace hard-to-get castings and forgings.

As experience in the technique filtered down through various industries, new applications for formed metal were developed. More companies, seeking speedier, lower-cost production, turned to the process. The result was that the market for metal-forming presses of all sizes broadened.

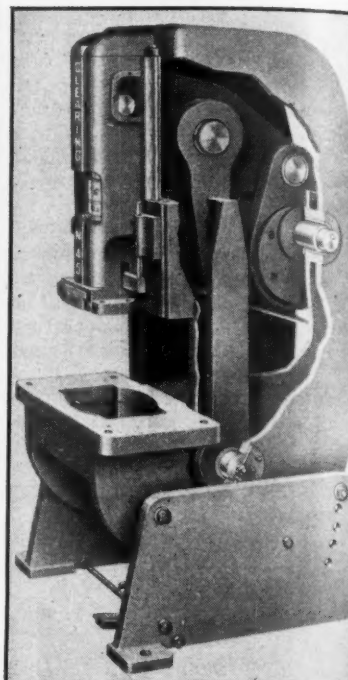
• **New Designs**—Most big presses built in the five years through 1945 were special-purpose machines for specific jobs in war plants. Press builders accordingly have been less afflicted than other machine-tool builders by competition from war-surplus tools. But, in common with the entire machine-tool industry, all are busy designing new and improved presses to make the older types obsolete (BW—Jun. 14 '47, p70).

A typical, and recent, example is that of Clearing Machine Corp., Chicago. Up to now, Clearing has been a major maker of large hydraulic and mechanical power presses, either standard types or custom-built. Principal users were automobile, refrigerator, railway, stove, furniture, and aviation industries. Now Clearing is getting set to pick up its share of the potential business in the small and medium press field. It has developed a 45-ton model, the first in a new medium-sized line.

The new Clearing Machine is designed to produce more accurate stampings by eliminating die deflection—a weakness inherent in the conventional C-frame mechanical power press.

This deflection press results from pressure exerted on the overhanging upper part of the frame. The load, as the metal is formed, causes the frame to spread, forcing the dies out of alignment. The misalignment causes excessive wear on expensive dies and decreases the accuracy of stampings.

• **New Way**—To eliminate this deflection, Clearing's "Non-Flex" press is constructed on a new principle. The point



Designed on a new principle, Clearing's new press shifts the load point to the reinforced lower frame.

of loading is transferred from the top of the press to a reinforced lower part of the frame (picture, above); the upper part serves only as a guide for the slide. Clearing claims that its new design turns out more accurate stampings, lengthens die life two to five times, and also cuts down die regrinding time and loss.

The new press will be made at first in only the 45-ton capacity, but later on in a full range from 25 tons to 100 tons.

• **How It Grew**—These recent developments also climax 14 years of phenomenal growth for Clearing Co. Rudolph W. Glasner, its Austrian-born president, founded the company at the bottom of the depression in 1933, with total assets of \$57,000, only 18 employees, and a \$50,000 order from Buick. This called for what Glasner loves to describe as "the biggest press ever built up to that time." Glasner used the

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A

The Guaranty Trust Company of New York began to advertise in Business Week 18 years ago... our oldest advertiser in the *Banks and Investments classification. Others in this classification who have been with Business Week for 10 years or more include Chrysler Corp., Atlas Corp., Bank of America, Bank of Manhattan, Bank of New York, Bankers Trust Co., Commercial Credit Co., Johns-Manville Corp.

B

In 1946, Business Week carried more pages of *Banks and Investments advertising than any national newsweekly or general business magazine... more than 80% of the *combined* total for the other three general business magazines.

C

Per advertising dollar, Business Week reaches more Management-men than any other general business or general magazine... men who make the *buying* decisions.

D

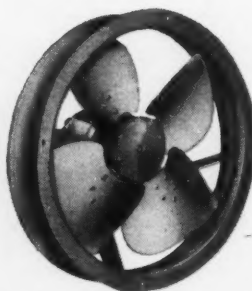
Eleven words explain why advertisers who sell to business and industry consistently use Business Week —

**WHEREVER YOU FIND IT, YOU FIND A
MANAGEMENT-MAN... WELL INFORMED**



*Based on Publishers' Information Bureau analysis of 1946 advertising.

Recognize any of your help here?



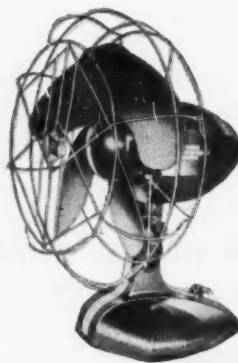
HUSTLING SHOP HAND... the sort that never slides into "summer slow-down." He's hot on the job ... cool under the collar. May be you keep his output up, his temperature down with those dog-day-destroyers—R & M Exhaust Fans.



GO-GETTEM GIRL... the kind that keeps things sailing when the mercury soars. Her mind's on her billing instead of the beach. Perhaps because you smartly surround her with the comforting coolness of an R & M Air Circulator.



COMPETENT KEY MAN... the type that unties tough knots without getting frayed. To him, the heat is no added burden. Not with that handsome heat-chaser around, that front-office favorite—the R & M De Luxe Fan.



ROBBINS & MYERS
Fans
FOR HOME AND INDUSTRY

FREE!

R & M Fan Folder No. 1950 and the name of your nearest distributor will be sent on request. Robbins & Myers, Inc., Fan Sales Division, Springfield, Ohio; or Bramford, Ontario.



order to win the backing of four Chicago businessmen; by booking a succession of ever-greater orders, he got \$4,000 of their money into the business during its first five years.

This spring Clearing Corp. bought the Jackson Hydraulic Machine Corp., Rockford, Ill. The purchase brought increased space, to be used for products and as a laboratory for developing new products. Not the least of Clearing's acquisitions in this deal was the Rockford firm's president, Paul Jackson, a widely known designer of hydraulic machines. Jackson continues with Clearing at Rockford.

• **And Still Growing**—Clearing Corp. now has a net worth of \$4,500,000, employs 1,000 people and occupies a 100,000-sq. ft. plant in southwest Chicago. Sales last year exceeded the high of the previous peacetime year by more than 75%. Earnings of \$1,549,963, equal to \$3.66 a share, were double their previous high (1942).

To rebuild its prewar foreign business, Clearing last year went 50-50 with Vickers Armstrong Ltd. of London to form the British Clearing Machine Corp., Ltd. This concern is now building Clearing presses in England for sale in British possessions and European countries where exchange controls and lack of dollar exchange limit the market for American products.

Weapons Against Wool Cotton, Rayon Shrinkage

Shrinkage has always been a No. 1 worry of the textile user. Plenty of search time and money have been spent to defeat it (BW-Apr. 20 '46, p. 42). The new processes look promising.

One, which controls wool shrinkage, is called Pacifixed. The other, said to work equally well on cotton, rayon, mixtures, is known as Definized-G.

• **Washing Wool**—Wool fabrics can be made as easy to wash as other fabrics. That is the flat assertion of Pacific Mills' Worsted Division, Lawrence, Mass., which developed the Pacifixed process.

Wool fabrics treated by this method showed less than 2% shrinkage in tests conducted by Pacific and by the American Institute of Laundering. The institute will henceforth maintain a quality-control and labeling program on all garments made by the Pacifix process. It fixes the size of the finished garment by controlling shrinkage.

• **Cotton and Rayon**—Shrinkage in both rayon and cotton textiles can now be controlled with a single chemical formula, according to Alrose Chemical Co., Providence, R. I.

The process is called "Definized-G" to distinguish it from a caustic Definized process which controls rayon shrinkage.

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It is said to be effective regardless of the weight or the width of the material that is treated. Residual shrinkage is held within 1%, according to the company. Further, tensile strength and abrasion resistance are said to be unaffected. And the process works on white or dyed goods.

Definized-G is made of glyoxal combined with catalysts. It is applied on standard rayon finishing equipment, requires a three- to six-minute cure at 270 to 350 F. What the method actually does, the company says, is to modify the chemical structure of the fabric, thus altering fabric dimensions.

LONG KIND OF LIMESTONE

Jones & Laughlin Steel Corp. thought it had a swell idea: buy a limestone quarry right on the Ohio River. Then the stone could be shipped to the company's Pittsburgh steel mills by barge—considerable saving in cost.

But J. & L. took some options on mineral rights near Gallipolis, Ohio. The limestone is there all right: about 110 ft. thick, underlying a 2,500-acre tract, about 815 ft. below the surface. And it's good limestone—for making cement. For steel-making, though; the silica content is too high.

J. & L. has now put its options up for sale.



GRINDING OUT PROFITS

In a three-room shop outside Indianapolis, Harry E. O'Brien (above) reportedly has created a musical monopoly. There are produced 5,000 crystal clarinet mouthpieces annually. The only ones of their kind in the world, O'Brien claims. A former movie-house clarinetist, O'Brien went into the business 12 years ago when talking movies cost him his job. The glass, from a private formula, is ground to 0.038 of an inch to insure tonal fidelity. His output goes to France's H. & A. Selmer Co.

HOW TO STOP-WATCH A PRODUCTION RACE



Time the handling operations in your plant—then compare total handling time with total production time. If handling methods are obsolete, you'll find that handling is wasting much of the time saved by modern production machinery.

Cut the corners on handling operations—Towmotor Fork Lift Trucks and Accessories will do it for you—and you'll increase productive output and come out far ahead in the production race. A Pocket Catalog lists the Towmotor Fork Lift Truck or Accessory that will modernize handling in your plant . . . send for your copy now. Towmotor Corporation, Division 2, 1226 East 152nd Street, Cleveland 10, Ohio.

SEND for Special Bulletins Describing the TOWMOTOR
REVOLVING CARRIAGE • SIDE SHIFTER • UNLOADER • UPENDER • SCOOP
CRANE ARM • RAM • EXTENSION FORKS • EXTENSION BACKREST
OVERHEAD GUARD



TOWMOTOR
THE ONE-MAN-GANG

**FORK LIFT TRUCKS
and TRACTORS**

RECEIVING • PROCESSING • STORAGE • DISTRIBUTION

Industrial Executives:

The July issue of **FACTORY MANAGEMENT AND MAINTENANCE** is featured by a 24 page article of keenest interest to everyone concerned with labor-management relations: It is entitled

HOW WORKERS LIVE AROUND THE WORLD

FACTORY arranged for personal interviews with machine operators in the U. S. and 13 foreign countries through the McGraw-Hill World News Service. In these interviews the workers tell graphically and candidly about their jobs and living conditions:

**WAGES . . . TAXES . . . FOOD . . . HOME . . .
FAMILY . . . RENT . . . RECREATION . . . FUTURE**



Gregorio Landin, Mexico

▶ **Dozens of pictures dramatize American workers' advantages**

Here are useful economic facts which we believe managements of many companies will want to distribute to supervisory staffs or to all employees. **FACTORY** makes reprints available at low cost, while they last.

▶ **Write on your business letterhead for free single copy**

FACTORY MANAGEMENT AND MAINTENANCE

A McGraw-Hill Publication • 330 West 42nd Street, New York 18, N. Y.

Oil by Solvent

New method of process cottonseed does away with crushing. Greater yield claim pigment glands recovered.

A solvent extraction process, originally developed for getting oil out of beans, promises to increase cotton oil yield.

The process extracts the oil with petroleum solvent—hexane—instead of the conventional hydraulic press.

• **Research**—Prime movers in the use of adapting the method to commercial use were the Southern Regional Research Laboratory of the U. S. Dept. of Agriculture; Delta Products Co., Sonoma, Ark.; and Allis-Chalmers Mfg. Co., Milwaukee, Wis.

Convinced of its practicality, Delta Products recently junked its conventional hydraulic pressing equipment and spent \$500,000 converting to the solvent process. The equipment was developed and built by Allis-Chalmers. A pilot plant was set up late in 1945.

• **How It's Done**—Cleaning and dehusking are the first steps in the process.



LIGHT FOR HIGHWAYS

One answer to the hazards of night driving is this new street lighting unit made by Westinghouse Electric Corp. Resembling an oversized football, the "Luminaire" is designed for use with 400-watt mercury lamps. The unit's shape is intended to produce a wide spread of light which merges with light from adjoining lamps to form a continuous path of brightness. A prismatic light for a similar purpose has been developed jointly by General Electric Co. and Holophane Co., Inc.

You, too, like Jenkins Bros., might cut payroll costs

30%!



National Payroll Machine at Jenkins Bros., Bridgeport, Conn.

Or you might save even more! In any event, you will want to know about the experience of Jenkins Bros., makers of the famous Jenkins Valves and mechanical rubber goods, who recently wrote us:

"Since the installation of a National Payroll Machine a year and a half ago, we have reduced our payroll department costs 30% with greatly increased efficiency. Prior to the installation, we had great difficulty in meeting the pay date; now we have one day and a half per week for payroll distribution purposes.

"Figures accumulated each week in running the payroll are used to expedite the quarterly social security and withholding income tax reports.

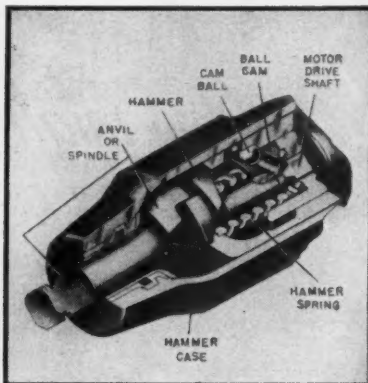
"We also use National machines for accounts payable, all distribution work, and stock record keeping. On these same machines, we post our general ledger and all subsidiary records."

These National Payroll Machines prepare a pay check, or pay envelope, showing in clear, printed figures the gross amount of pay, the specific amount of each deduction, and the net amount of pay. In the same operation, they simultaneously produce a complete payroll summary and detailed employees' earning record. Labor cost analysis can also be carried out on these same National Payroll Machines.

Let your National representative study your needs, and then make recommendations. The National Cash Register Company, Dayton 9, Ohio. Offices in principal cities.



The National Cash Register Company



It handles easily in any position, because the impact mechanism "floats."

Versatile Rotary-Impact Tool—Without Twist

Problem: Design a reversible, power-driven hand tool that can drill, ream, tap, tighten up nuts. Make it light enough to hold in one hand. Take out the twist.

That's a large order. Conventional hand tools are heavy, difficult to hold. And they are usually adaptable to only one operation.

• **Solved**—But engineers at Ingersoll-Rand Co., 11 Broadway, New York, had an idea. Why not adapt the impact principle used on air tools to an electric tool? Beginning with this thought, they ended up with the 4U electric impact tool.

The tool weighs only 6½ lb. but it can replace four conventional tools, at one-third the cost. It can be handled easily in any position (above, left), is reversible with a twist of the handle. The impact mechanism (which converts the electric-motor power into a series of hammer blows) eliminates torque reaction; this means

that no matter how hard the tool is driving, the operator feels no twist or kick.

• **The Secret**—Here's how it works. Motor power is transmitted to the spindle through a compression spring. When the jaws of the hammer and anvil (above, right) are in contact, the entire assembly rotates as a unit and the tool runs just like any conventional electric drill.

But suppose resistance to the cutting edge builds up (this happens as a nut tightens, or when the material being drilled or tapped is tough). The anvil (or spindle) stops momentarily. Through a cam arrangement, the spring is compressed, then suddenly released. The power stored in the spring is then delivered as "rotary impact" on the jaws. In tough jobs, the tool can deliver 1,900 of these impact blows a minute. And no torque reaction is transmitted to the operator, because the whole mechanism "floats" in the tool's outer housing.

As the seed passes through hulling and separating machinery, the kernels are separated from the hulls. These are then cooked and fed into the top of an extractor, passing downward. A solvent, fed in at the bottom, travels upward. The solvent-oil mixture, called miscella, is clarified, then distilled. This distillation permits separation of the oil and reclamation of the solvent for further use. The process produces some unusual results, according to Southern Regional technicians:

- Greater oil yield from each ton of seed (Delta estimates the increase to be more than 32 lb. per ton).
- A better residual meal, with an increased amount of protein, and minus pigment glands which discolor the meal and lower its nutritional qualities.

- Recovery of whole pigment glands, never obtained by previous methods. (These are tiny egg-shaped bodies about the size of fine pepper.) These glands contain gossypol, a yellow pigment. Potential uses of the glands are dependent on the properties of this pigment. It has been suggested for the manufacture of dyes and plastics. (At a recent meeting of the American Chemical Society in Atlantic City, researchers from Columbia University reported on the possible use of gossypol as an appetite depressant for controlling obesity, when added to the diet.)
- Recovery of lint as the seed is cleaned. The lint is used for felting and padding in automobiles, and in mattresses.
- Process advantages: moderate heating; no harm to cottonseed proteins; supe-

rior quality oil; saving in labor. (Only four skilled workers are required to operate the plant, which has 240 tons a day output.)

Although Delta is pioneering in the field, other companies, like Buckle Cotton Oil and Swift, are expected to be in operation with the process.

WILLOW RUN DIVORCE

Plans for the divorce of farm implement production of Graham-Paige Motors Corp. from production of Kaiser and Frazer cars at Willow Run (BW Mar. 1 '47, p. 35) are being put into effect. Separation of the production activities of the affiliated companies, hitherto under one roof, will be completed by August. By then G-P will be completely established in the York (Pa.) plant, which has leased for ten years from York Industries, Inc.

Both companies expect to benefit from the move. Kaiser-Frazer Corp. had an eye on the space given over to farm implement production. On the other part, Graham-Paige hopes to be able to increase its manufacturing volume 25% or so in a plant of its own.

Orders for Graham's major product, the Rototiller, stand today at about 60,000 units, contrasted with production of 38,000 during the past year. In addition, the company will be manufacturing an enlarging line of attachments for varied farm uses.

The York location for the G-P operations gives that company another advantage not available in the area of the one-time bomber plant—a nearby experimental and development farm.

From 450 to 500 employees will be on the payroll when full operations begin late this summer. One factor in the selection of the York plant was the availability of machine shop time in the immediate area. It will be used as much as possible to provide equipment and components.

AIR-CONDITIONED HOSIERY

Air conditioning will make possible appreciable savings in nylon hosiery manufacture, according to Roy E. Tillman, president of Gotham Hosiery Co., Inc. The company has signed the "largest single contract for complete air conditioning in the history of the textile industry." Carrier Corp. will make installations in two of the Gotham's mills, Philadelphia, and one in Fort Wayne, Ind.

The savings are expected to be made chiefly in fine-gauge stocking manufacture. Reason: Tolerances are so close that abnormal temperatures and humidity cause gumming and kinking of the yarn. Conditioned air will permit the use of the finer yarns on higher-speed machines.

FOR MANY A SMALL BUSINESS

This Superb Plant Offers Exceptionally Favorable Conditions for Manufacturing Nearly Any Product

**ALL UTILITIES AND SERVICES . . . ADAPTABLE SPACE
MODERATE RENTALS . . . PRIME LOCATION**

Here is an outstanding opportunity for a broad range of manufacturing organizations to place their operations in a highly favorable industrial location and to participate in the profit potentialities of this modern industrial community.

War Assets Administration now offers space for lease in the great government-owned manufacturing plant at Kansas City—a plant generally acknowledged as one of the finest industrial structures ever built. The leases will be for periods up to 10 years, subject only to simple, straightforward stipulations in the interest of National Defense. Leases will be based on floor area and space requirements. The plant was originally built and operated for the production of Pratt & Whitney aircraft engines. It is offered for lease on a multiple tenancy basis, permitting smaller industrial organizations to share a common roof and common utilities and services and, at the same time, have the advantages of adequate space, proportionately equitable rentals and selected location.

The space to be leased aggregates nearly 3,000,000 sq. ft. in six buildings, all modern, all designed for maximum efficiency and economical operation. The over-all layout and physical plan provides outstandingly practical opportunity for many types of producers. The total productive area originally allowed for employment of 20,000

people, many of whom want to go back to work in this plant for you.

Building clearances and arrangements permit unusually broad ranges of machinery and equipment layouts and overhead work space. Personnel facilities, locker and washroom space, and other elements, are of superior design.

This plant is situated at Troost Avenue and Bannister Road (95th Street) and has spur track and three sidings of the Missouri Pacific Railroad. Paved roads lead to arterial highways. There is barge service at Kansas City to the Mississippi. Water is supplied by Kansas City; sewers are in and connect with the city system; power and light is furnished by Kansas City Power & Light Company and natural gas by Panhandle Eastern Pipe Line Company.

The advantages of a Kansas City, Missouri, address are well known. Whether you have a small or large operation, you have the advantage here of an established, growing market, fine transportation and economical distribution. Kansas City has a top reputation as a good town to live in, to work in, to sell from.

Already there are mounting *bona fide* inquiries for rental of space in this superb industrial community. Business and labor of Kansas City are for it, and will be for every tenant.

WAR ASSETS ADMINISTRATION
OFFICE OF REAL PROPERTY DISPOSAL



Post Office Box 1037, Troost and Bannister Road (95th Street), Kansas City, Missouri, Telephone: Delmar 3500

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Do you use
WHITEPRINTS
for making prints of
Tracings?

**PEASE "88-R" Makes
them Better, Faster
and at Low Cost!**



PEASE "88-R"

BETTER PRINTS—unsurpassed for sharp, solid blue lines on brilliant white backgrounds. True to scale, without distortion, they lie flat. Moreover, you merely feed in tracing on whiteprint paper—the "88-R" does the rest.

FASTER PRINTS—30 feet per minute of finished Whiteprints can be made on PEASE "88-R" using pencil tracings and fast paper (for example, PEASE "K").

LOW PRINT COST—minimum per square foot cost of finished Whiteprints is assured when PEASE "88-R" Complete Continuous Whiteprinting and Developing Equipment is used for making prints of tracings.

If your printmaking requirements call for Blueprints in addition to Whiteprints, investigate PEASE "22-W." It produces highest quality Blueprints at low per square foot cost, one cent and even less, at speeds up to 20 feet per minute.



Free!

Attach coupon to your letterhead for a 238-page book of valuable information on the complete PEASE line.

THE C. F. PEASE COMPANY
2608 West Irving Park Road
Chicago 18, Illinois

I am interested in receiving more information and prices on

☐ PEASE "88-R" ☐ PEASE "22-W"

☐ I shall be glad to receive a free book describing PEASE equipment.

Name _____ Position _____

Company _____

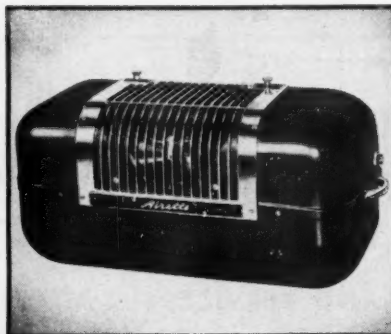
Address _____

City _____ Zone _____ State _____

NEW PRODUCTS

Portable Air Conditioner

Low cost and portability are features of Airette, a new air conditioner that is



being produced by Airette Manufacturing, Inc., 1041 N. Sycamore Ave., Los Angeles 38.

The unit is self-contained and has over-all dimensions of 26x13x12 in. It weighs less than 22 lb., plugs into a standard electrical socket.

The unit is adjustable for heating or cooling by a single control. Cooling is obtained through forced evaporation of water passing through a filter. The makers say this removes dust, pollen, and other foreign particles from the air.

The water reservoir in the unit holds approximately 3 gal. Through valve-regulation of water flow, it is possible to control humidity conditions.

Availability: immediate delivery.

Aluminum Wire Connectors

The O. Z. solderless connectors are now available with a special plating designed to make the connectors suitable for aluminum building-wire connections (BW—Nov. 9 '46, p66).

The plating, called Cadux, is a modified cadmium treatment. Its job is to eliminate the electrolytic action which can occur between copper and aluminum. It has been used to protect nonferrous metals from surface tarnish and corrosion.

The connectors, made by O. Z. Electrical Mfg. Co., 262 Bond St., Brooklyn 2, N. Y., are available in sizes ranging from No. 12 to 2,000,000 cm.

Availability: immediate delivery.

Handles High and Low Skids

By using a hinged racking device, Automatic Transportation Co., 149 West 87 St., Chicago, makes one piece of material-handling equipment perform a dual job.

Both high and low skid platforms

loaded with materials, with a variation as much as 5 in., can now be handled with this machine. The truck-mounted hinged rack which stands upright on low skids are handled. For high skids, the rack is lowered to lie flat on the platform to provide the added height needed for lifting.

The manufacturer reports that the truck platform and rack heights have been designed to fit the skid platform requirements of any particular plant.

Availability: deliveries in two to three months.

Sealing Compound

National Engineering Products, Inc., Commerce & Savings Bldg., Washington 4, D. C., has produced a new sealing compound. Called Tempseal, said to be "of particular interest to power and marine industries, and companies manufacturing refrigeration, air-conditioning, and ventilation equipment." The gray compound reportedly is fireproof, waterproof, oilproof, resistant to heat, and good in electrical properties. It is applied by knife or spatula. Recommended uses: sealing boiler joints, air ducts, cable ends and pipe connections, and terminal boxes. It is non-toxic, according to the manufacturer, and has no tendency to harden, crack, or craze.

Availability: immediate delivery.

Console With Lift-Out Radio

Westinghouse Electric Corp., East Pittsburgh, Pa., is producing a small console radio-phonograph combination that includes a lift-out radio.

Called the Duo-Console, the complete unit is 25 in. high, 15 in. wide,



PRESSTITE #243 ADHESIVE

Bonds Any Clean Dry Materials

Saves Time, Labor . . . Eliminates Fasteners, Clips, Screws

This new adhesive, developed in the laboratories of "Sealing Headquarters" and now in use by industry, firmly bonds practically *any* clean, dry surfaces. It saves time and labor in assembly and production, often eliminates fasteners, clips, screws and bolts in many an assembly operation.

Presstite #243 Adhesive incorporates a thermo-plastic resin for greater strength. It is quickly and easily applied with a flow-gun or brush, sets fast and gives a permanently elastic bond. It is unaffected by extremes of heat and cold and resistant to water and salt spray.

Outstanding uses by well known manufacturers are the bonding of stainless steel tops of refrigerator cabinets to the sub-top and extensive use in railroad car construction.

With its wide range of uses in bonding practically any type of materials, Presstite #243 Adhesive may well save you time and money, produce a better, longer lasting job. If you'll send us your requirements, we'll gladly send samples and work with your engineers in developing the best and most economical production procedures.

Use It to Cement

Metal to Metal

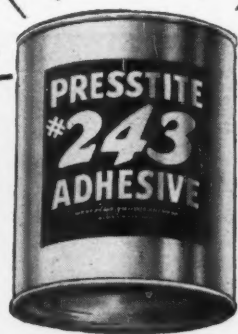
Rubber to Metal

Fabric to Metal

Wood to Wood

Fabric to Wood

Also for Glass . . .
Paper . . . Plastics

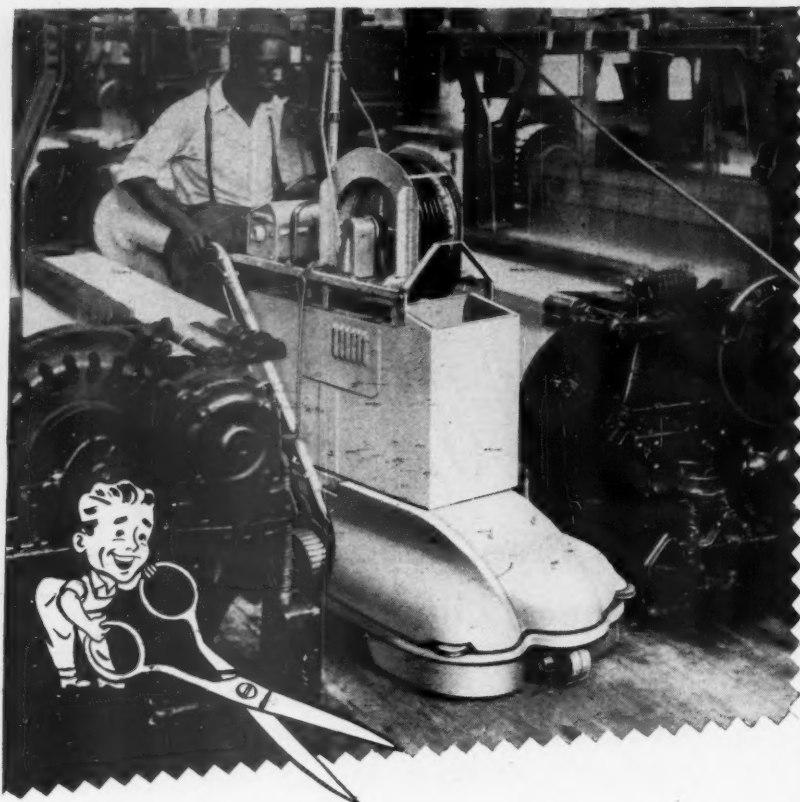


PRESSTITE

SEALING COMPOUND

PRESSTITE ENGINEERING COMPANY

3936 CHOUTEAU AVENUE • ST. LOUIS 10, MISSOURI



How to Cut THE COST OF CLEANING OILY WOOD FLOORS *And Aid Production!*

In seeking ways and means of aiding cost-reduction, management will look to improved methods and equipment for the maintenance of floors.

Important savings are possible in cleaning large-area floors by using high-speed mechanical equipment that both scrubs and picks up in a single operation . . . and by using in such a machine a cleanser designed for the greater speed of mechanical scrubbing.

The *Finnell Scrubber-Vacuum* illustrated, and *Setol*, the mineral oil solvent specially compounded for machine-scrubbing, are an unbeatable team for fast, low-cost cleaning of-oily wood floors. This *Self-Propelled Finnell* is a complete cleaning unit *all in one*. It applies the cleaning solution, scrubs, rinses if required, and picks up. Has a cleaning capacity of approximately 8,750 sq. ft. per hour!—a speed that *Setol* matches in cleaning action. *Setol* emulsifies grimy oil and grease *instantaneously*. This cuts operating time of the machine, which in turn reduces labor costs and saves on brushes. *Clean floors are safer floors* . . . bolster worker morale and thereby aid production!

For free floor survey, consultation, or literature, phone or write nearest *Finnell* branch or *Finnell System, Inc.*, 3806 East Street, Elkhart, Indiana. Canadian Office: Ottawa, Ontario.



FINNELL SYSTEM, INC.

Pioneers and Specialists in
FLOOR-MAINTENANCE EQUIPMENT AND SUPPLIES

BRANCHES
IN ALL
PRINCIPAL
CITIES

and 18 in. deep. It includes an automatic record-changer.

The lift-out radio, previously available in a table model, is so designed the radio part of the set can be taken out and used elsewhere in the plant. It is housed in a plastic cabinet, operates on five tubes and a rectifier. Record storage space will handle 19 all-time favorites.

Availability: deliveries through distributors beginning in July.

Weighing on the Move

A new weighing device, made by Builders-Providence, Inc., Providence, R. I., simplifies the weighing of conveyor-carried loose materials. The device, called *Conveyoflo*, uses diaphragms instead of the usual knife-edge principle for metering flow of dry material weight.

The weighing section of the mechanism is supported at one end on self-aligning ball-bearing pillow blocks. The other end "floats" on a diaphragm. As material changes, the diaphragm transmits indication hydraulically to the weighing mechanism. A totalizer reads directly in any desired unit. Variations caused by belt weight and adherence of material to the belt are compensated through a system of return belt weight.

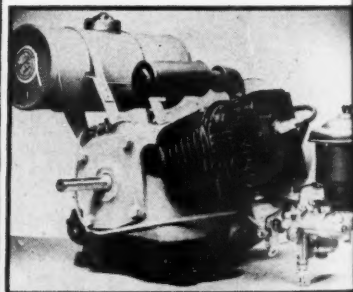
According to the manufacturer, the device can be used to proportion material control, as well as weigh. It can control the flow of liquids in proportion to the flow of dry materials.

Availability: deliveries in three to four months.

Aircooled Motor

A small, aircooled motor suitable for use in general utility equipment, power lawnmowers, pumps, and compressors has been developed by Continental Motors Corp., Muskegon, Mich.

The motor develops 1½ hp. It



four-cycle, L-head design, cooled by a blower-type flywheel. The flywheel is shrouded so that cooling air is forced over large fins on the cylinder and head. Bore is 2½ in., stroke 2 in., piston displacement 7½ cu. in.

Availability: delivery in four to six weeks.



Ever have trouble balancing your check book?

SOME of these check book errors are in simple arithmetic. Many are in copying

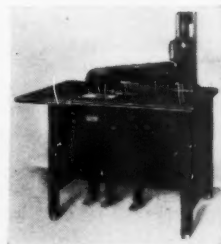
It's easy to make errors on such relatively simple work, it's understandable why errors are so often in business where complex information is copied and worked out by hand on the typewriter.

Chances are that in your business you have to write the same figures, part numbers, descriptions, names, etc., over and over. When done by hand or typewriter it's frequently inaccurate. It's always a slow, costly process. The Addressograph method is the fastest, most accurate method of putting figures and

words on business forms. Once information is put on an Addressograph plate and checked it's impossible to make an error. You can write at high speeds—up to 5,000 words or 30,000 figures a minute with complete accuracy.

Addressograph simplified business methods can be used in every department of your business—with existing systems and routines—alone or in conjunction with other office machines.

Call the Addressograph representative in your city for information on how others in your same type of business are saving time and money. Addressograph-Multigraph Corporation, Cleveland 17, Ohio.



One of many Addressograph business machines designed for all sizes and types of businesses.

Addressograph

TRADE-MARK REG. U.S. PAT. OFF.

SIMPLIFIED BUSINESS METHODS

Addressograph and Multigraph are Registered Trade Marks of Addressograph-Multigraph Corporation



A Catering Service is One of Many Places Where Graybar Can Show You How to Save Time with Teletalk

• It was a "Teletalk" Specialist that first introduced the Kartsen Catering Company of Detroit to the many time-saving advantages of "Teletalk" as a business aid.

The Graybar organization has a "Teletalk" Specialist located in each branch whose wide experience is a definite aid in recommending the "Teletalk" installation best suited to your needs from the standpoints of efficiency and economy.

"Teletalk" is available in a wide range of models to meet the requirements of businesses, large or small. Therefore, suggestions on the correct model to use and the number of stations to secure maximum results are important—Graybar will gladly give them to you.

"Teletalk" Intercommunication is a quality product, designed to blend with surrounding furnishings. The tone is natural and is free of hum or buzz. It is easy to operate by just flipping a key. It operates on regular lighting current; its upkeep is negligible.

To get the complete story, call the nearest Graybar house listed in your classified phone book, or write us.

GRAYBAR ELECTRIC COMPANY, INC.
Graybar Building, New York 17, N. Y.



FINANCE (THE MARKETS—PAGE 94)

Shiplines Face Stormy Seas

Coastal and intercoastal operators fear heavy losses and higher costs. Coming rate increases may not be enough. Maritime Commission ran ships during war, is now returning them to owners.

Take a look at the earnings of steamship lines listed on the Big Board, and you would think the shipping trade has nothing but fair weather, fine tide, and favorable seas ahead.

• Profits of American Export Lines (BW—May 25 '46, p. 31) topped \$4,400,000 in 1946. In 1945 they were only \$1,220,000. First-quarter earnings this year were \$1,271,000 vs. \$687,000 in January-March, 1946.

• Ditto United States Lines (successor to International Mercantile Marine, the elder J. P. Morgan's ill-fated maritime venture). Earnings sailed from \$2,079,000 in 1945 to \$6,640,000 in 1946. They trimmed \$2,010,000 in January-

March, 1947, vs. less than \$900,000 the year before.

These companies, however, are not in foreign services, and are thus representative of only one segment of the merchant marine.

• Domestic Gloom—For domestic coastal and intercoastal shippers the postwar outlook is rough, gloomy. Government operation has been necessary since V-J Day to insure existing important trade routes. Federal coastal operations involve an outlay of \$500,000 monthly.

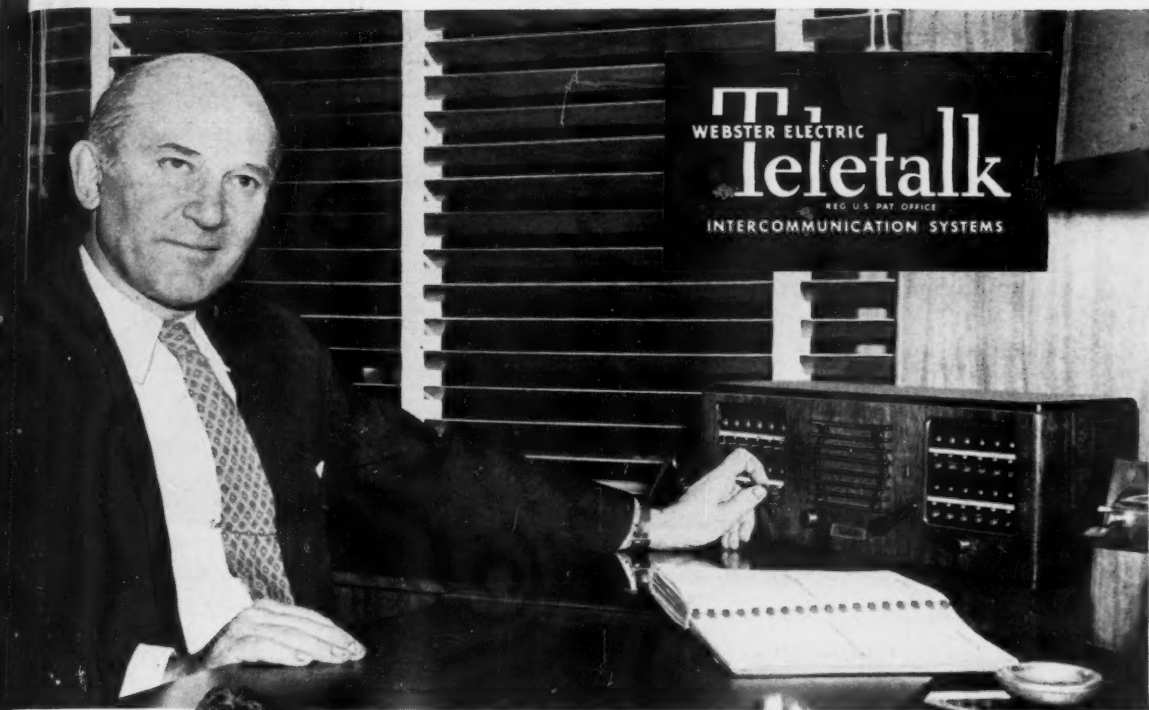
Prewar, the combined coastal and intercoastal fleets had some 70% of active merchant fleet tonnage (inc-



MONETARY FEAST: WE BROUGHT THE PLATES

One reason for the economic muddle in Germany is the flood of occupation currency that the allied governments have turned loose. U. S. authorities blame the Russians. In April, 1944, the Russians demanded and got the same engraver's plates that the U. S. and Britain used for occupation marks. Nobody knows how much they have printed. Three Senate committees, led by Styles Bridges (right), chairman of the Appropriations Committee, have been poking into the problem. Last week Assistant Secretary of War Howard C. Petersen (left) told them Russia is still printing from the plates, blocks all efforts at currency reform.

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A Detroit Food Service Saves Time Increases Efficiency by Use of Teletalk

● Here's real convenience—and a time saver as "Teletalk" intercommunication is installed on all four floors of the Kartsen Catering Company, Detroit. It also reaches all three kitchens. Anyone in the organization can be spoken to quickly—by just flipping a key. There is no longer a need to go from floor to floor for information. Those on the sales counter can check orders in the kitchen. The result is an improvement in customer service and a decided saving in time.

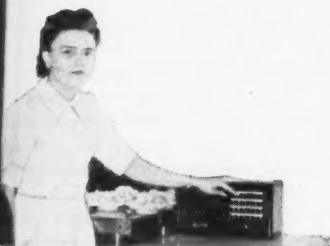
"Teletalk" is available in a wide range of models to meet the needs of businesses, large or small—garages, small stores, catering companies, small offices, or large offices and plants find them a

real time saver and helpful in getting more done each day. "Teletalk" has a natural tone that is free of buzz or hum and you can recognize the voice of the individual calling.

For full details, contact the nearest "Teletalk" distributor listed in the intercommunication section of your classified phone book or write direct to Webster Electric Company, Racine, Wisconsin.

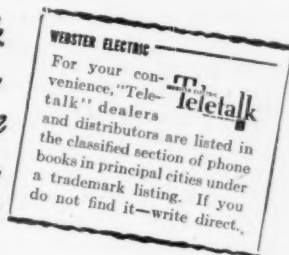


Miss Cowling, cashier at the Kartsen Catering Company, is shown using her "Teletalk" installation in Cascade Dining Room.



Miss Monty is shown enjoying the use of "Teletalk" on the sales counter—in the cafeteria.

Check
your
Phone
Book
→



Licensed under U. S. Patents of Western Electric Company, Incorporated,
and American Telephone and Telegraph Company.

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A Catering Service is One of Many Places Where Graybar Can Show You How to Save Time with Teletalk

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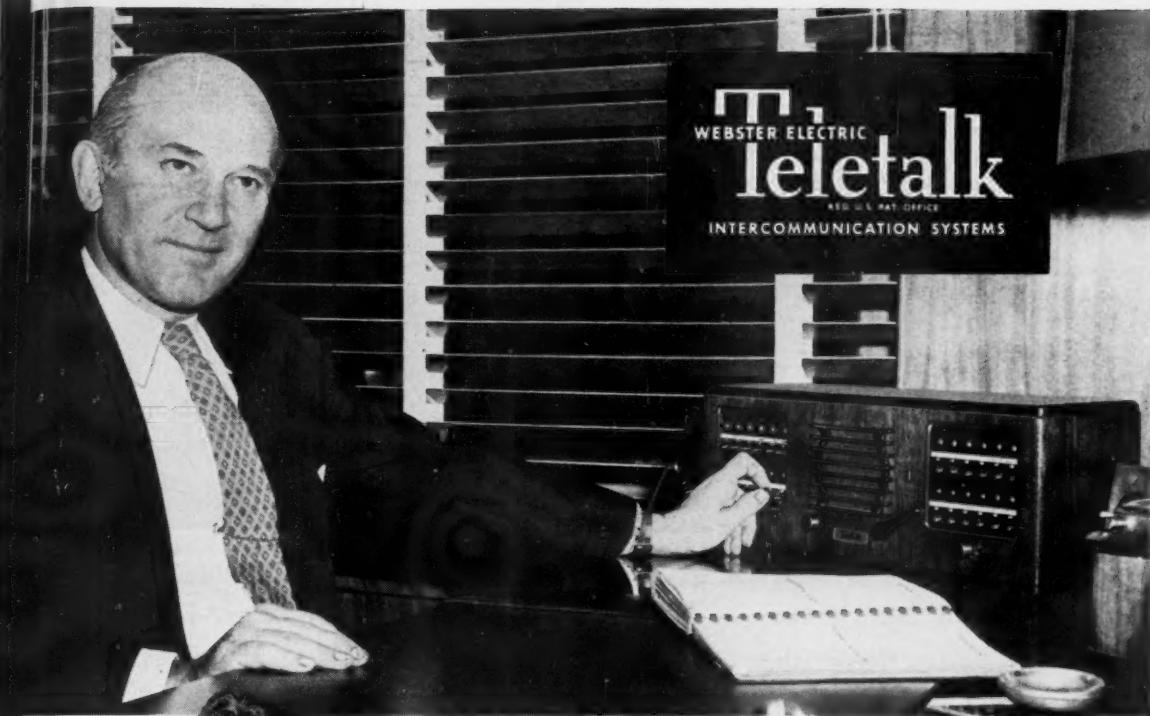
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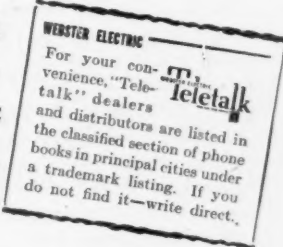
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Where Quality is a Responsibility and Fair Dealing an Obligation"

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NEW ISSUE

\$15,000,000

The National Supply Company

2¾% Debentures due June 1, 1967

Price 100¾% and accrued interest

A copy of the Prospectus may be obtained within any State from such of the Underwriters as may regularly distribute the Prospectus within such State.

Goldman, Sachs & Co.	Lehman Brothers
The First Boston Corporation	Blyth & Co., Inc.
Harriman Ripley & Co.	Kidder, Peabody & Co.
<small>Incorporated</small>	
Merrill Lynch, Pierce, Fenner & Beane	Smith, Barney & Co.

June 24, 1947.

6 FACTS ABOUT THE BUSINESS WEEK AUDIENCE



54%

of the subscribers to this magazine are owners, presidents or vice presidents of companies with which they are affiliated. (Another 30% are major department heads)

1 OF EVERY 3

is an officer in one or more other businesses,

80% OWN HOMES

—76% of which are valued at over \$10,000,

1 OF EVERY 2

owns income-producing property other than his own home,

62%

have an estimated gross worth of over \$25,000
(42% are worth over \$50,000)

38.9%

carry over \$25,000 worth of life insurance.

(FROM "ANONYMOUS PLEASE"—A BUSINESS WEEK MARKET STUDY—1946)



OVERSEES MUNITION

The Army & Navy Munitions Board had a new chairman last week. He is Thomas J. Hargrave, 56, president of Eastman Kodak Co. Hargrave, who rose to the Eastman position from a 30-month law office job (BW-23'46,p8), will share his duties on the board with those of his predecessor.

The three-man board develops industrial mobilization plans, sees stockpiling of critical materials, and coordinates Army and Navy procurement.

Hargrave succeeds Richard Deupree, president of Procter & Gamble Co.

29 passenger ships). The intercoastal fleet alone boasted around 150 cargo vessels. It was a constant threat to the side of the railroads because of low water rates on steel, flour, sugar, hides, paper, canned goods, fruits, machinery. Meantime the Atlantic, Pacific, and Gulf coastwise lines vied with truck and rail for an even more diversified list of products.

• **Headaches**—Despite rate advances, however, domestic shipping hit a reef. For instance:

• **Traffic** always fluctuated widely, largely dependent on industrial activity.

• **Low rates**—to lure business—trucks and railroads—often resulted in drastic price-cutting. Not until the Interstate Commerce Commission (when truck and domestic shipping rates came under Interstate Commerce Commission jurisdiction) was there any real order.

• **American-flag ships** operating between domestic points got no subsidies when they were protected against foreign competition.

BUSINESS IN MOTION

To our Colleagues in American Business...

It is amazing how often trouble turns out to be the best of introductions, resulting in firm friendships and new customers. That has been Revere's experience throughout its long history.

Take the case of an important new invention, originally developed for war purposes but now being increasingly employed in valuable peace-time applications. At first, rejections were impossibly high, over 40%, costs were exorbitant, and production was so low that the great hopes held out for the device seemed almost impossible of realization, due to the limited numbers made.

At this point Revere, though it had not been supplying metal for the product, was asked if it would care to investigate the possibilities of breaking the bottleneck. Meeting with engineers under conditions of complete secrecy (which is not unusual for Revere during development work) the trouble was studied thoroughly. Conferences were long, and many possibilities were cooperatively explored. Eventually it was decided that a change should be made in fabrication methods, and also in the properties of the metal used.

These conclusions seemed so promising that a test run was made. It was completely successful. Subsequent production experience was most gratifying. Rejections were cut to less than 1%, production was stepped up to such a degree that the bottleneck simply ceased to exist, and costs were reduced to commercial levels, where they remain to this day.

This work was a mutual endeavor. No one person or organization can take the credit for it, which is typical of modern industry. A great many of today's products are so complex in conception, design, and manufacture that it is probably safe to say that no man or company can possibly have all the knowledge required to cure the various troubles that so often beset a business. It becomes necessary to call in outsiders having specialized experience, and for a time to make them insiders.

Suppliers to every industry have an enormous fund of information about their materials, whether they be metals or plastics, glass or chemicals. They know how they act under various conditions, which one is preferable under given circumstances and what improvements may be achieved by making changes. They cannot of course reveal confidential data ac-

quired while working with customers, but their general fund of knowledge and experience is invaluable, and usually heightened by a fresh viewpoint.

Revere is not the only one to welcome trouble as an introduction and a challenge, not the only one with an open mind as well as an informed one, not the only one ready to question the customary and find new answers to new problems. So if you are a manufacturer seeking answers to difficult questions, searching for ways to make better products, more quickly and economically, I suggest you introduce your industry's suppliers to your difficulties, and ask their cooperation.



Donald Dallas

Chairman of the Board

REVERE COPPER AND BRASS INCORPORATED
Founded by Paul Revere in 1801

Executive Offices:

230 Park Avenue, New York 17, N. Y.

Thus sharply rising costs had paid out of the operators' own pockets.

Casualties—Vessels in domestic service were among the first to be taken by the government for war duty. Service on domestic routes was just when business got good.

The Maritime Commission never thought of federal operation as a permanent measure. When the war drew to a close, Maritime was quick to ease the shipping lines back into the service. And as far back as March, Maritime asked ICC to provide relief when the routes were handed over to the operators, however, were in no position to get into the swim. The cargo situation was uncertain. Old prewar conditions still prevailed while increased (particularly wages) threw a fog over profits.

Urgent—So Maritime filled the gap by setting up a temporary service. This was done by providing a small number of vessels to be operated by the private industry on an agency basis.

When rail freight rates were increased in the fall of this year, Maritime began cutting down these stop-gap operations. In January it canceled all its Atlantic and Gulf Coast services, forcing the owners to take over. First of next month it will be supporting intercoastal lines operating between Atlantic and Pacific ports around the Panama Canal, and those serving the Pacific coastwise trade.

ICC Relief—Meantime ICC is supposed to counterbalance Maritime's withdrawal by giving rate relief. A ruling will be only a matter of days. Temporarily at first, the rate boosts are to be permanent after further investigation.

Moreover, the rate adjustments affect not only the steamship lines—they will apply to the rails, too. Reason: Steamship people must have a favorable differential.

Here is what Washington expected:

Transcontinental railroads: A boost, probably 12½%, on all-rail traffic between transcontinental origins and destinations.

Intercoastal steamship lines: Interim relief of 6% or 7%, but an eventual permanent boost of perhaps as much as 15% on the average.

Pacific Coast railroads: Higher rates for California, Oregon, and Washington, including terminal and intermediate services. This boost may be 25% or more.

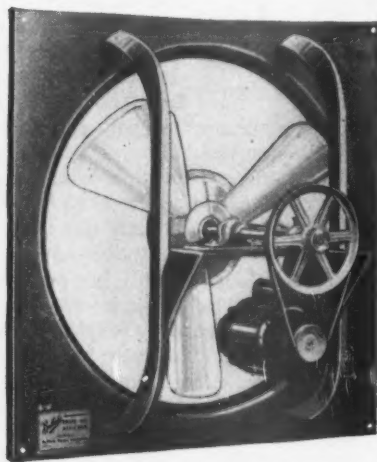
Pacific coastwise steamship lines: Interim increases ranging from 5% to 10%.

Comments that the steamship operators aren't throwing their hats in the air. Intercoastal interests, for example, claim a permanent 25% to 30% hike in rates required to put them in a break-even position. Otherwise, they say, losses

Thousands of Homes ARE COOLED WITH BREEZ-AIR FANS



Cool, fresh air is constantly drawn in, and hot, stale air forced out through attic openings in this typical BREEZ-AIR installation. Amazingly cool comfort is the economical result!



Quiet, Efficient, Sturdy! Breez-Air Fans have all certified ratings. Blades are proportioned for peak air delivery. Shafts, bearings and mountings are heavy-duty, for attention-free service. Motors are all standard-make. Noise levels are extremely low.

In the "hot" parts of America, where daily summer temperatures rise to between 90° and 100°F., there's no sleeping comfort without an ATTIC Cooling Fan!

With a fan installed in the attic, windows are opened in living and sleeping rooms at sundown and the super-heated indoor air is expelled, replaced by the cooler night air.

Literally, every home owner south of Pittsburgh is a prospective buyer of the Breez-Air Cooling Fan. Users are so well satisfied with the results obtained that they are our best salesmen.

If you live in the South, or visit there, you probably know someone who is using a BREEZ-AIR to keep comfortable at home. Six sizes from 24" to 54". Ask your household appliance dealer for full information.

BUFFALO FORGE COMPANY

458 Broadway
Buffalo, N. Y.

Canadian Blower & Forge Co. Ltd.
Kitchener, Ont.

Buffalo

BREEZ-AIR
ATTIC COOLING FANS

per voyage may go as high as \$8
• **A Continuous Service**—None with some prospects of better rate owners are preparing to take over the Maritime Commission leave. They will employ their own vessels chartered federal-owned ships. week Maritime announced that charter to eight companies in the coastal trade 38 of the ships they been operating for government account.

American Hawaiian Steamship before the war the largest interoperator, will be allocated 10 v Luckenbach Steamship Co., an important prewar figure, will get Isthmian Steamship Co., U. S. subsidiary, six; United States three.

No allotment of vessels for the cific coastwise trade has been made. But several applications are being sidered. And recently Maritime able to announce that about 20 p-owned and chartered government-o vessels finally are in Atlantic and coastal service.

• **The Future**—How profitable don trade will be to the private oper remains to be seen. Steamship ci however, don't appear very sangu despite today's freight car shortage.

As an omen of this pessimism, A can Liberty Steamship Co. has terarily suspended freight service bet Gulf and East Coast ports. The frigerator Steamship Co. doesn't pl resume its seasonal fruit-carrying, between Florida and North Atl ports unless it is granted rate relief.

• **Prophets Glum**—Harry S. Br chairman of the Intercoastal Steam Freight Assn., is likewise dubious the future. Only by assigning large ments of their fleets to the better-pa foreign services, Brown believes, intercoastal lines hope to acquire profits they will need to offset dom losses.

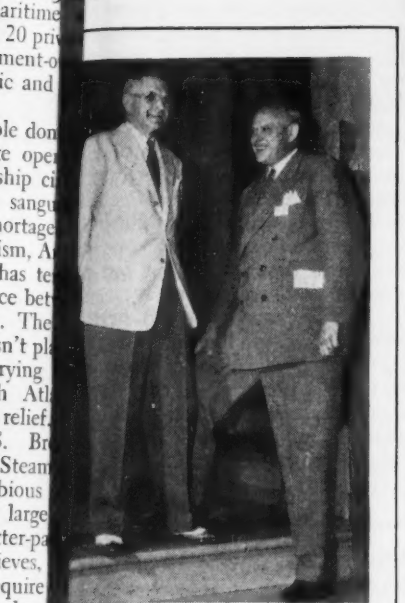
Officials of the Maritime Commis aren't happy over the present dom picture, either. As they see the s tion, a vigorous intercoastal and co wise shipping service is essential only to the nation's economy, but to its security. And that setup, point out, doesn't exist today.

TITLE COMPANIES HIT

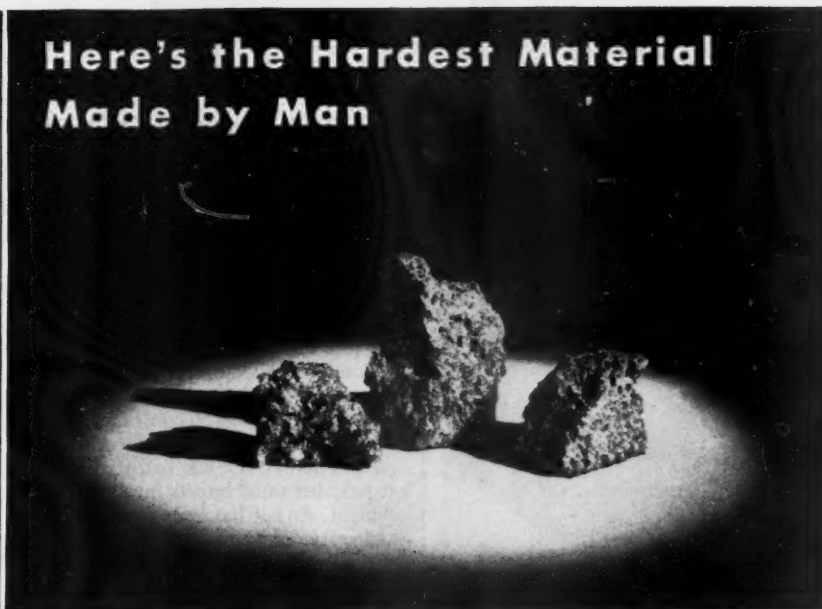
A Pennsylvania lower court last v threw a monkey wrench into the op tions of the state's title companies title departments of banks.

In Common Pleas Court No the Judge Joseph L. Kun enjoined P As a delphia's Commonwealth Title Che from taking fees for the preparation deeds, mortgages, and similar legal struments. The decision spelled in victory for the Philadelphia Bar As whose Committee on Unauthor

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 will get al estate brokers.)
 U. S. company will appeal the decision.
 States remains unchanged, the injunction
 for the ave a major effect on real estate
 en mad tions, since title companies now
 e being a fat chunk of the documents
 ed.



HEAD N. Y. BANKERS
 Members of New York State
 the s Bankers Assn. traveled across the
 and co order to Quebec last week to
 ntial elect new officers at their annual
 but convention. Top bankers chosen
 up, were William A. Kielmann (right),
 president, and Burr P. Cleveland,
 vice-president.
 Kielmann, president of the
 Peoples National Bank of Lyn-
 brook, has spent most of his bank-
 ne opening days on Long Island. He
 nies joined the Lynbrook bank 10 years
 ago, after serving as president of
 No the Bank of New Hyde Park.
 d P his association chief, he succeeds
 le Chester R. Dewey, president of
 ation Grace National Bank of New
 legal York.
 d in Cleveland is president of the
 r First National Bank of Cortland.
 thor



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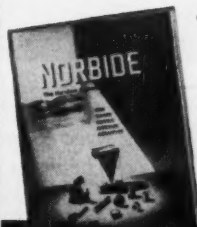
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 except the diamond.

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 molded into a variety of products that are
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 resistance to wear and other unique properties.



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Credit Men Will Try To Educate the Public

Credit men have given up the idea of establishing a system of local codes to keep credit policies in hand after the government's Regulation W goes into the discard. Instead, they will try an ambitious program of advertising and credit education for the public.

• **Regulation W Useful**—The 1,350 credit managers and credit bureau men who just met at the 33rd annual convention of the National Retail Credit Assn., at St. Louis, roundly condemned government controls on consumer credit. But privately many of them admitted that Regulation W has had its uses. It has prodded some buyers into prompt payment. And it has kept retailers from giving easier and easier terms to get business away from each other.

On the question of community credit policies, however, the convention took its cue from the Dept. of Justice, which frowns on agreements among retailers to limit credit terms. The board of directors of the association warned members that local codes would be a "violation of the law."

• **Education**—As a substitute, the credit men came up with a plan for a consumer education program on the values of credit. The program calls for extensive radio and newspaper campaigns, supplemented by direct mail pieces.

The convention also took a firm stand against advertising specific terms. A retailer may say "convenient credit terms arranged," or "charge accounts invited." But credit men don't want

him to say precisely how much and how long to pay the balance. They think that tempts retailers to sell instead of selling merchandise.

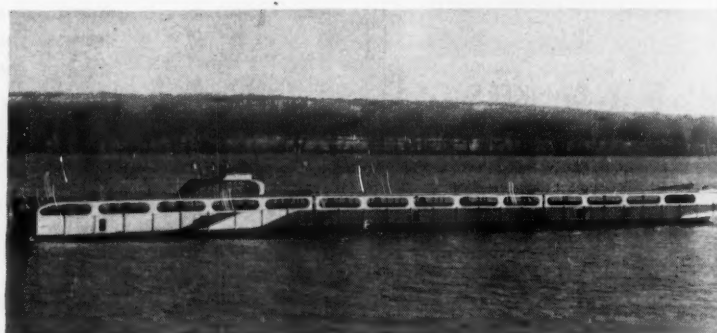
• **Bright Outlook**—Most of the men felt cheerful about the immediate future. They see a big expansion in installment sales (BW—Jun. 7 '47, p. 22) the next year or so. But they also see that the credit situation will be a full watching from now on. Since the end of the war, collections have been slowing down and defaults, fraudulent passing of bad checks is on the increase everywhere in the country.

MORE REPORTS URGED

The New York Stock Exchange stepped up its campaign to needle companies into issuing more frequent financial reports. Under a new policy the Exchange insists on frequent reports as a part of every listing requirement. This applies both to companies not on the Big Board and to those increasing their listed securities.

Stimulus for the Exchange's present intensified drive has stemmed in part from its own national advertising campaign advising the public to get all the facts. This has stirred up a flurry of correspondence complaining of special companies which have put out no reports since the year's end.

The Exchange hopes to better its present boxscore on financial reports by approaching the problem on an industry basis. Currently, of the 1,010 listed companies, 780 submit quarterly reports, 150 issue semi-annual reports, 80 put out annual reports.



FASTER SERVICE ON THE BIG RIVERWAYS

Fast-moving, fast-loading river barges, capable of carrying 600 automobiles, are speeding deliveries between Memphis and Cincinnati. Traveling at 16 m.p.h., two of the big carriers are gearing what used to be a turtle-paced form of car transport to modern distribution. St. Louis Shipbuilding & Steel Co. built them; Commercial Barge Lines, Detroit, operates them. The drive-in barges are actually three vessels joined. Each 175-ft. vessel is powered by three 660-hp. "Quad" units, composed of four diesel engines. The entire barge can load in about four hours.

INTERNATIONAL OUTLOOK

ESS WEEK

28, 1947

SERVICE

Moscow has decided to take a look at Marshall's program for Europe. If the Kremlin means business, there's a chance now of bridging the gulf between East and West.

Washington, London, and Paris are all hopeful—but still skeptical.

Foreign Minister Molotov joins Bevin and Bidault in Paris this week end. The conference should give some clue to Moscow's intentions.

If Russia agrees to go along with Britain and France in meeting Marshall's request for an economic plan, an all-European conference should follow shortly.

Poland has already given its approval. It is the first of Russia's satellites to do so.

Marshall's daring scheme has put the U. S. in a strong position. There is no American plan yet. There are no conditions, no strings, for Moscow to object to.

Diplomatically, the U. S. has pulled out of Europe for the moment. We have asked Britain and France to make their own terms with Russia.

This may produce a composite proposal and, later, financial aid from the U. S.

Washington's conditions will not be formulated until the plan is readied for Congress.

Britain and France are willing to take their chances on the conditions, and on congressional approval. The question is: Will Russia do the same?

From Moscow's angle, this is a tough decision. It means open admission of U. S. world leadership, and a lot more.

But Molotov knows that Russia can cut itself in more than once on the economic aid potentially available from the U. S.

Perhaps Moscow would get a billion dollars or more directly. And as much again indirectly through increased production in Poland and other countries in the Soviet sphere.

Russia has far more to gain than to contribute in a setup like this.

From Washington's angle, the Kremlin can take it or leave it.

Marshall would like Russia in. But he'll turn fast to a Western European program to break any Soviet sabotage of Anglo-French efforts to produce results.

Germany will supply the leverage for European reconstruction whether Russia plays ball or not.

U. S. plans for rebuilding German industry are now maturing (BW—Jun. 14'47, p108).

London will back Washington on these plans.

Paris may balk. But France, like Britain, has much to gain economically from the boost to Europe's economy that would come from a revival of Ruhr industry.

One of the first major moves in the Ruhr will be to put a top U. S. production man in charge of coal output.

A year ago, the British would have bitterly fought such an invasion of

INTERNATIONAL OUTLOOK (Continued)

BUSINESS WEEK

JUNE 28, 1947

their zone. Today they are apparently willing to swallow their pride in the interests of efficiency.

The World Bank is proposing to find means to put money in the Ruhr coal mines.

Marshall's right-hand man for Germany will be Charles Saltzman, who becomes Assistant Secretary of State (for occupied areas) on Sept. 1.

Saltzman will also backstop Under Secretary Robert Lovett in advising Marshall on the financial angles of European reconstruction. Both men have wide experience in finance.

A threefold apparatus, designed to transform Marshall's proposal into a plan, has now taken shape.

The U. S. will provide two units of the machinery, Europe the third:

(1) The organization set up this week by Truman to get a "nonpartisan" appraisal of what the U. S. can afford (page 92).

(2) The State Dept.'s Policy Planning Committee, headed by George Kennan, which will balance this appraisal against Europe's plan.

(3) A European economic commission to estimate Europe's needs and formulate a program for meeting them.

U.N.'s Economic Commission for Europe is making a bid for the third job.

ECE's Executive Secretary, Sweden's Gunnar Myrdal, has been in Moscow this week trying to sell the idea—perhaps the Marshall plan itself.

Before he left for Moscow, he rushed a report on Europe's shortages and ECE's recommendations to all member governments.

The report urged that ECE create a Committee on Electric Power and a Committee on Industry & Materials.

Europe's most acute needs were listed as food, softwood lumber, alkalis, and nitrogen.

The shortage of electric power was bracketed with coal as the most important industrial bottleneck.

Europe's electricity shortage is hard to figure. Output of electricity in Britain and nine non-Balkan European countries in 1946 was above 1938-39 levels.

Italy's output was at the prewar level (Finland's was down slightly).

Other indexes of industrial production tell almost the same story. Although Europe's production is badly unbalanced, the problem may be a short-term one, once German coal and steel production are on the up-grade.

But balance-of-payments difficulties will remain acute.

Britain this week drew another \$100 million from the U.S. line of credit. A total of \$2,050,000,000 has been withdrawn now, instead of the \$1½ billion expected for the end of the first year.

The U. S. is helping to lick Europe's reconstruction problems in other ways than providing financial aid.

Britain is getting ready to import large quantities of iron ore from South Africa. Wellman Engineering Co. of Cleveland may be called in to solve the problem of unloading the 25,000-ton carriers needed for economical shipment from the Cape.

Wellman has already sold U. S. know-how to rebuild France's ports (page 89).

BUSINESS ABROAD



Brazil's National Steel plant: a case study in exported U. S. engineering.

FOR EXPORT: U. S. KNOW-HOW

Doing It the American Way

U. S. technical knowledge goes abroad with shipments of U. S.-built machines and equipment, is now a leading export item exceeding \$500 million a year. Engineering firms "tackle anything."

American technical knowledge has become a leading U. S. export item. So large it is cannot be accurately estimated, but it may now exceed half billion dollars a year.

Good Salesman—Exports of American technique almost always go hand in hand with exports of U. S. materials and equipment. And that "know-how" is a good salesman for U. S. business. It could bring continuous or recurring shipments of American products, spare parts, replacements, and additional equipment for expansion of projects abroad.

"Know-how" export is not an easy one to define. But it includes at least the following:

the sale of blueprints and economic engineering surveys;

licensing of patents and processes;

shipment of tailored plants and machines;

the training of foreign experts in American industrial plants and universities;

the "export" of U. S. private and

government technicians and experts.

• **Payment**—If Americans help to construct difficult engineering works abroad—dams, bridges, refineries—they get paid for the technique which they contribute to the projects.

Some contracts specify the sums to be paid for technical aid. Others include the charge for know-how in the cost of the equipment. There is no entry in trade compilations for this kind of export.

American branch-plant operations are excluded from this survey. So also are expansion programs of overseas subsidiaries of U. S. oil companies. However, one new angle in the handling of branch plants requires mention. It is based on the difficulty of transferring reasonable profits from dollar-short countries such as Britain. Because of that some U. S. firms are now charging a special annual fee of about 5% on investment for technical know-how rendered their foreign branches.

• **Two-Way Flow**—The flow of technical assistance is not all in one direction.

Our Proudest Export

American industrial know-how is playing a decisive role in the resurrection of business abroad and in the rise of industry in the world's "backward areas."

American experts are at work all around the globe. They are keeping open the export channels for new American machines and processes. They are building plants that will help undeveloped nations to earn their way into the market for American products.

The story of what is happening and who is making it happen can't be found in the trade statistics or the official records. To get it for management-men, Business Week correspondents in the United States and 12 foreign capitals have had to talk to hundreds of businessmen.

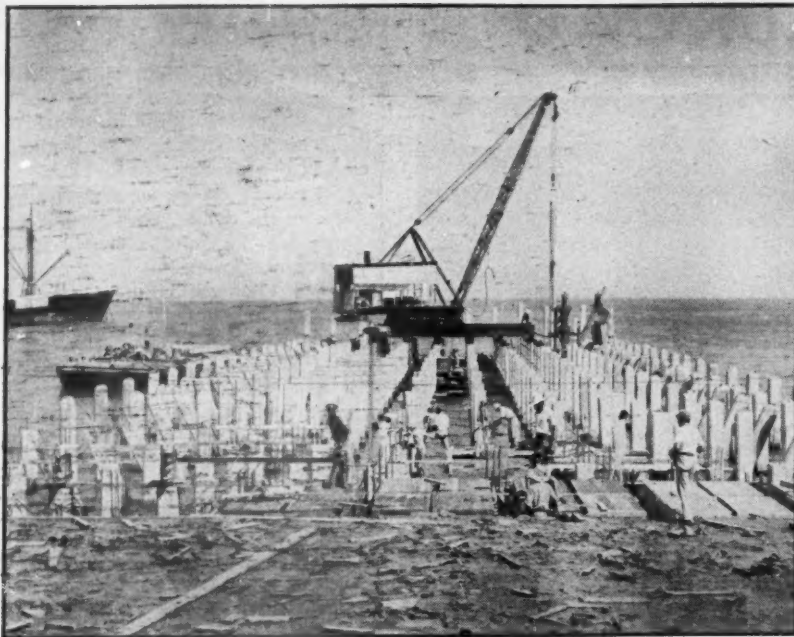
What they have found is set forth in this report and in three others which will follow in early issues.

The United States still imports know-how though on a much smaller scale than it once did. American companies—and the U. S. government—have been buying German technicians. The Dept. of Commerce's Office of Technical Service has offered American industry thousands of reports on German technology. British and European firms are licensing American manufacturers to make their products for U. S. consumption.

Over-all, U. S. know-how exports are going primarily to industrializing nations. Some of these nations, especially in Latin America, are well-supplied (temporarily) with dollars earned by a lucrative wartime trade. They are eager to capitalize on their war-born independence of foreign suppliers of consumption items. But an important share of know-how exports is going to modernize and to repair the industries of Europe, crippled by neglect and destruction.

• **For Backward Areas**—Some know-how is exported only to backward areas. A machine-tool maker may merely export his machine to Britain or Sweden. But in Brazil he must not only install it; he must train operators as well. Switzerland and Sweden can build their own hydroelectric plants. But in a less advanced country every aspect (except manual labor for construction) of a similar project must be supervised or supplied.

Export of a complete plant, or construction of a major hydropower project, was once newsworthy evidence of American ingenuity, salesmanship, and engineering ability. Now literally hun-



At the Port of Carupano, Venezuela, local labor builds a new pier. But engineers of New York's Frederick Snare Corp. direct the job.

dreds of plants are being designed, built, shipped, erected, and supervised in their initial operation by American engineering firms and manufacturers. The variety of enterprises which can be designated as know-how exports is almost infinite. Such projects range in value from a few thousand dollars to as much as \$35 million.

Pittsburgh's Dravo Corp., building tugs and barges for Argentina, trained the Argentine crews which will operate the ships (BW-May24'47,p106). Another U. S. firm is showing two Latin American countries how to fish and can their catch. An American blends a Swedish cigarette. Oscar Kohorn & Co., Ltd., of New York, is building in Brazil what it believes to be the largest foreign rayon plant.

• **"We Tackle Anything"**—Perhaps the purest form of know-how export lies with those U. S. engineering firms that will tackle any job, of any size. They range from individual engineers and their assistants to gigantic corporations with integrated production facilities (sometimes in subsidiaries) and staffs numbering into the hundreds.

These concerns will often team up to handle complicated assignments. But even as individuals they will survey a nation and prepare an industrialization plan, or design a tool to meet a special need. For example:

• **Soda Ash for Bogota**—H. K. Ferguson Co., Cleveland, is engineering a \$41-million soda ash plant in Bogota, for a Colombian development corporation. It is also building a chlorine and hydrochloric acid plant in New Delhi, India, for Delhi Cloth & General Mills Co.,

Ltd. And it is rehabilitating the alkali producing facilities of Formosa for the National Resources Commission of China. Ferguson reports a backlog of projects held up by a shortage of dollars.

Arthur G. McKee & Co., Cleveland, builder of 80% of the world's blast furnaces (outside the U. S.) and many of the world's refineries, now has a steel mill for Sweden on its books. Some 50 McKee technicians and supervisors are busy on an \$18-million to \$20-million refinery for Petroleos Mexicanos (the government petroleum monopoly). The firm is a consultant on technical problems to the Tata Iron & Steel Co. in India. And McKee helped build the giant Magnitogorsk iron and steel combine in Russia, and parts of the Volta Redonda plant of the National Steel Co. of Brazil (picture, page 89).

• **Modernization for Britain**—Chicago's Freyn Engineering Co., builder of blast furnaces and steel mills, also worked on Brazil's Volta Redonda installation. It handled about \$8 million of a more than \$100-million project. It will also provide modernization plans for two British steel mills.

The Dorr Co., New York, designer of metallurgical and chemical plants, sends half a dozen men abroad annually to help foreign customers. It is said to be advising the Australian Aluminum Production Commission on its Tasmania plant.

New York's Amer-Ind, Inc., a newcomer in the field (BW-May3'47,p93), is engineering many foreign plants—for plastics, tires, carbon electrodes, light bulbs. It has contracts also for textile mills, vegetable-oil mills, tanneries,

and power plants in a dozen countries. • **Surveys for the Philippines**—Det. H. F. Beyster Corp. is conducting industrial surveys and planning reconstruction and development in the Philippines. It is helping the Insular Co., the National Housing Commission and the National Development Co. (government subsidiaries) get new equipment. It is shipping a complete mill to the islands.

Giffles & Vallet, Inc., of Detroit, has \$8 million in contracts in Brazil for prospective contracts for \$10 million worth of U. S. equipment for export. It has participated with other U. S. firms in the creation of the National Steel and the Railroad Equipment Co. in Brazil, and is engineering a \$3,600,000 rubber plant. The estimated value of technical aid on the first \$8 million contracts is \$400,000.

• **Roads for Afghanistan**—Morris Knudsen Co., Inc., of Boise, Idaho, has subsidiaries in Brazil, Canada, Chile, Mexico, and elsewhere. The home office has landed an \$18-million contract to lift Afghanistan into the 20th century. Projects include roads, irrigation, hydroelectric developments. Between 20 and 30 M.-K. men are at Kabul on this deal. (George Fuller Co., New York, is participating on this job.)

M.-K. has just completed an economic survey of Iran that may result in a job paralleling the Afghanistan work in scope and surpassing it in value. More engineers are at work studying the road and port needs of China. More technicians are also ear-deep in advance contracts in Brazil. Last year M.-K.'s foreign work amounted to \$10 million. In the first quarter of this year it totaled \$8,300,000 and may reach \$25 million for the full year.

Through its subsidiary, International Engineering Co., Inc., the firm is working on the J. L. Savage-designed Bhakra dam for the Punjab, India. It is collaborating with five Chinese engineers on the proposed Yellow River bridge.

• **Oil Development**—E. B. Badger Sons Co., Boston, has about \$15 million in a few big petroleum development contracts in Europe and the Middle East.

Stone & Webster Engineering Co., Boston, is currently focusing on domestic projects, but has a handful of foreign jobs on the fire—some of them held by lack of dollar exchange. The firm is completing supervisory work on erection of a power plant for the government in Jamaica.

Rust Engineering Co., Pittsburgh, was in on Brazil's National Steel Co. in the past, it has built in Canada, Mexico, South Africa, and Latin America—including a \$4-million leaching plant in the Peruvian Andes.

• **Power for El Salvador**—Harza Engineering Co., Chicago, has three inter-

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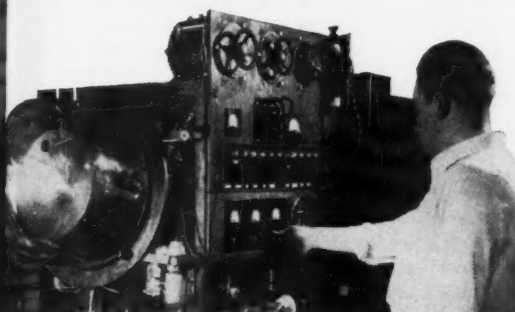
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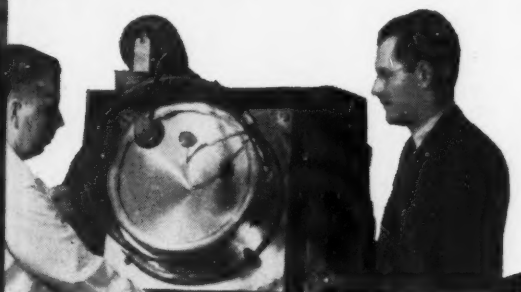
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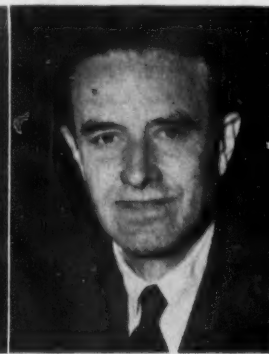
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Theirs Is to Reason How, and How Much

While foreign ministers of Britain, France, and Russia confer on European reconstruction needs from the U. S., three presidential committees are estimating how much help the giver can afford to give.

• **Damaging Economy?**—Truman has been insistently needled by Republicans like Vandenberg and Hoover that this country can't, without damage to its economy, continue to export \$10-billion a year more than it imports. So this week three groups were digging out economic conclusions to back up Secretary of State Marshall's plan of aiding Europe on a continent-wide basis.

It's up to one committee under Interior Secretary Krug to answer these questions: Does such a program drain the U. S. dangerously of strategic goods and materials? Does it

seriously deplete irreplaceable sources?

It's up to Dr. Nourse and Council of Economic Advisors to answer this one: How dangerous is the inflationary effect of this project—which amounts to pump-priming far exceeding the New Deal's?

• **Coordinating?**—To tie the answers together into a policy is the task of a nonpartisan committee of public figures under Commerce Secretary Harriman. It embraces nine businessmen, six scholars and educators, labor leaders, an ex-senator.

Remaining question for President Truman: Will his "nonpartisan" committee satisfy the Republican demand for a "bipartisan" group of political leaders? Vandenberg was saying.

El Salvador studying power potentials. It has just completed a five-year consultation contract with the government of Uruguay for a hydroelectric development. It is dickering with Argentina for the same type of contract.

Atkins, Kroll & Co. of San Francisco has five engineers in Manila, lending technical aid in Philippine reconstruction.

Ford, Bacon & Davis, New York consulting engineers, has a Mexican subsidiary which acts as consultant to the Mexican government on engineering problems. In addition, the firm trains foreign engineers in its offices in the United States.

Manufacturers Overseas, Inc., New York, is engaged in a know-how export of a special kind: marketing abroad a foreign-owned continuous reel for rayon production (U. S. rights are held by another company). The firm is also providing construction know-how for a Turkish project which will be equipped with Swedish machinery.

• **Cranes for France**—Wellman Engineering Co., Cleveland, has the providing 84 unloading gantry cranes for France's ports. These 6-ton "level luffing" cranes were designed by Wellman to meet requirements. Two-thirds of the company's heavy backlog is for export, a large part in byproduct coke overhauling.

World Wide Development Co. has an advisory contract with the Argentine government in connection with the present Five Year Plan (BW-June 112).

American Technology Export Corp., Detroit, was recently set up by a group of Indians and Americans to export U. S. engineering aid to India's textile industry, primarily textiles.

• **Water for Ecuador**—Frederick Corp., with branches in Cuba, Colombia, Ecuador, Peru, Puerto Rico, Venezuela, provides construction engineering know-how throughout the hemisphere. It uses native staffs

never possible, but U. S. experts when needed. The U. S. head checks designs made abroad, or files designs and drawings.

The firm is engineer and contractor for the Venezuelan government on the port works at Carupano (picture, 90). As engineers working with Seifert & Jost, Frederick Snare is building a water-supply system for Guayaquil, Ecuador. The subsidiary is at work on the Lebrija project near Bucaramanga. It includes a dam, a powerhouse, tunnels, other works.

Dozens of other engineers and firms on varying scales, selling their skills to private companies and foreign governments that are striving to modernize and expand their industries. The Export-Import Bank is actively collaborating in wholesale industrialization, casting a harsh light of realism on many an ambitious project.

Integration—These versatile firms and agencies thus spawn vast and complicated—but integrated—schemes for foreign industrialization through the export of techniques and machines. Meanwhile, individual manufacturers in specialized fields are lining up exports of complete plants. They are also contributing a substantial bit to a half-billion-dollar-a-year business.



NEW I. C. OF C. CHIEF

Arthur R. Guinness of London is the new president of the International Chamber of Commerce. Guinness was elected at the chamber's first postwar congress at Montreux, Switzerland, to succeed Winthrop W. Aldrich of New York. The new president is a partner of Guinness, Mahon & Co., and was formerly the chairman of the International Chamber's British Committee.

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THE MARKETS (FINANCE SECTION—PAGE 2)

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial	146.0	146.5	137.9	173.5
Railroad	40.7	39.9	37.9	64.8
Utility	73.8	73.5	70.7	92.5
Bonds				
Industrial	122.3	122.0	123.1	124.4
Railroad	107.3	107.0	106.7	118.9
Utility	113.4	112.8	111.5	116.1

Data: Standard & Poor's Corp.

Profit-Taking Cuts Stocks

The wishes of most investors came true Monday afternoon when the Senate passed the new labor law over President Truman's veto. Then why didn't stock prices rise—as many persons none too familiar with the stock market's normal reactions had expected?

Instead of a rise, there was a rush of profit-taking sales on Tuesday, the first chance for rendering a market verdict on the event. There was also a concurrent lowering, or withdrawal, of bids for stocks. And when New York Stock Exchange trading closed Tuesday, more than 20% of all the gain chalked up since mid-May in the Dow-Jones industrial stock price average had been erased.

• **Understandable Drop**—Actually, the decline in stock market values caused by the new labor law's enactment is quite understandable.

It's normal procedure for the stock market to rise—as it has in recent weeks—in anticipation of pleasing events. But

when prices rise in expectation of news, they almost invariably lose upward drive once the "promised land" has been reached. It's a Wall Street adage that the market rarely discards the same news twice.

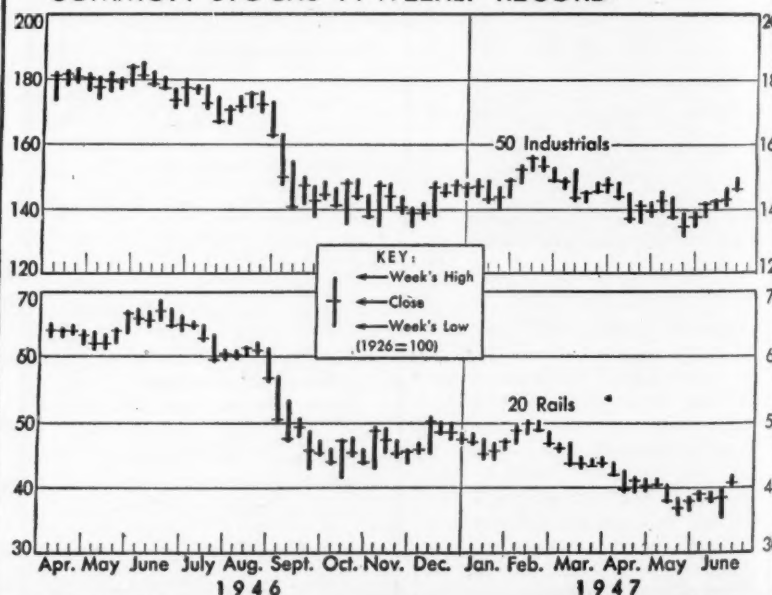
• **Ripe for Change**—Some other factors probably accentuated the abrupt change in price trend early this week. During its sharp, almost uninterrupted advance in recent weeks, the market was ripe at least a technical corrective move once the good news was out. By week, also, many handsome short-term profits were available for the taking. This was particularly true in the case of the in-and-out-quick professional trader who have been responsible for so much of the stock market turnover this year.

The wildcat walkouts in the soft fields that immediately greeted enactment of the Taft-Hartley bill could have been another main factor causing Tuesday's sharp price spill. Profiting targets then were stocks of steel and auto companies—industries especially vulnerable even to a slight tie-up in the bituminous fields.

• **Possible Trouble**—For the longer term, new fears over the labor outlook could turn out to be a powerful price determinant, if strike troubles should spread over a wide front. Few investors or traders have forgotten the drastic effects of the early-1946 strike wave on the production schedules and earnings of a number of prominent industries.

At midweek, however, the market was edging higher again. And most mar-

COMMON STOCKS—A WEEKLY RECORD



Data: Standard & Poor's Corp.

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ians were of the opinion that a extension of the rally was well the realm of possibility. But the perennial bulls were sticking necks out. The more conserva- inclined still agreed with Standard ur's that "for the average investor the hazards of attempting to profit intermediate movements out- the possibilities for gain." there are a lot of bears trad-

ing in the market. On June 17 the short interest on the Big Board totaled 1,540,493 shares, 226,102 more than in mid-May. Some of the larger short interests then were: Chrysler 35,080 shares, General Motors 38,173, American Telephone & Telegraph 22,153, Schenley Distillers 36,032, New York Central 24,190, Southern Pacific 25,525, U. S. Steel 19,855, Warner Bros. Pictures 23,520 and Pepsi-Cola 32,670.

Bulls Perk Up—But It May Be Premature

Nothing that has occurred market- since last fall so emboldened Wall Street's bulls as the rally dis- cussed by stocks generally between mid-May and the end of last week. The bulls were again being dubbed "prophets of gloom." And there was talk that another bull market had already started.

Such optimism, however, appears more than a bit premature. Measured

by Dow-Jones stock price indexes, the rally isn't even the most potent since last fall's panicky selling finally ceased (the December rise was bigger). And on Tuesday of this week, the averages were still far under the 1947 highs they registered in February. For individual stocks, as indicated in the sampling below, the rally thus far has proved rather selective, spotty.

	1942-46		1946-47		% of	
	Bull Market	Bear Market	1947	June 24,	Bear Market	Loss
	High	Low	High	1947	Recovered	
Industrial						
Dow-Jones Average...	212.50	163.12	184.49	174.54	23.1	
Automotive	\$63.37	*\$30.00	\$39.25	\$35.25	15.7	
Chemical	112.12	79.00	99.00	92.75	41.5	
Food	72.37	*36.00	54.87	42.00	16.5	
Textile	100.25	*61.00	84.75	72.25	28.7	
Metals	51.87	*30.87	42.00	34.00	14.8	
Steel	114.75	*76.50	99.00	82.00	14.4	
Aluminum	29.87	*14.00	22.50	17.87	24.4	
Automotive	141.00	75.25	109.75	106.75	47.9	
Automotive	227.00	161.00	194.25	189.00	42.4	
General Electric	52.00	*32.00	39.87	35.00	15.0	
General Foods	56.12	*38.87	45.75	39.00	0	
General Motors	80.37	47.75	65.87	57.37	29.5	
F. Goodrich	88.50	*49.00	71.75	55.50	16.5	
Harvester	102.00	66.25	89.50	86.50	56.6	
Manville (1)	55.87	*35.62	45.87	44.0	41.3	
Montgomery Ward	104.25	*49.00	64.62	57.00	14.5	
Distillers (1)	32.37	*17.62	22.75	20.25	17.7	
Pacific Mills (1)	48.00	*25.62	39.50	31.00	24.0	
Paramount Pict. (1)	39.62	*22.75	32.75	25.75	17.8	
Roebuck	49.62	*30.12	39.00	37.00	35.2	
Standard Oil (N. J.)	78.75	61.62	76.50	74.87	76.6	
Swift & Co.	41.12	*30.62	37.87	33.12	24.7	
Water Assoc. Oil	24.12	17.50	20.62	19.37	28.2	
Union Carbide	125.00	88.00	105.25	104.00	43.3	
United Air Lines	54.25	19.50	28.50	21.25	5.0	
United Fruit (1)	53.62	41.50	52.37	51.37	81.4	
S. Rubber	80.00	*40.75	60.50	45.37	11.8	
S. Steel	97.37	*61.62	79.37	66.37	13.3	
Westinghouse (1)	39.75	21.12	28.87	27.00	31.5	
Railroad						
Common Stocks						
Dow-Jones Average...	68.31	*41.16	53.42	45.55	16.1	
A. T. & Santa Fe...	121.00	*66.00	99.00	78.75	23.0	
Atlantic Coast Line	83.00	*40.50	59.00	53.37	30.3	
Chesapeake & Ohio	66.87	*41.50	54.75	45.25	14.8	
Great Northern (Pfd)	64.00	*34.50	49.87	40.00	18.7	
Illinois Central	45.50	*18.12	30.00	22.75	15.9	
Louisville & Nash. (1)	72.25	*40.00	53.00	45.25	16.3	
New York Central	35.75	*12.00	22.37	13.75	7.4	
Pennsylvania	47.50	*17.87	26.87	19.00	3.8	
Southern Pacific	70.00	*34.50	47.25	40.00	15.5	
Southern Ry.	65.00	*28.00	50.50	33.87	15.9	
Union Pacific	168.50	110.00	137.00	132.00	37.6	

(1) Adjusted for stock split-ups. *Bear market low registered in 1947.

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THE TREND

THE CELEBRATION SHOULD BE BRIEF

Passage of the Taft-Hartley labor bill officially marks the end of a 14-year period during which most of American business management has felt that, in its labor relations, it has been unfairly kicked around by a governmental policy and performance designed primarily to do the bidding of organized workers. Consequently, the passage is widely accepted by management as a cause for jubilation.

Passage of the bill also reestablishes the fact that if any group in our loosely organized democracy gets to running over the rest of us, we have the will to call a halt, even over the opposition of one who is supposed to be our leader. This is cause for general public jubilation. Indeed, it is perhaps the most significant aspect of the entire performance.

• **However, management and the community at large will make a great mistake if they devote any great amount of energy to celebration.** For they will need every bit of energy and ingenuity available to make the legislative and administrative program created by passage of the Taft-Hartley bill work in the national interest.

This is not, let it be promptly and firmly made clear, because the bill bears any resemblance to the legislative abortion so violently attacked by President Truman in his veto message. On the contrary, as the detailed analysis of the bill starting on page 15 should indicate, it is a carefully and cautiously devised instrument to curb some of the more palpable abuses in the field of labor relations (not all of them, by any means) and to establish machinery to work toward the elimination of others.

• **As is true of any legislation, however, and probably particularly true of labor legislation, the acid test of successful performance lies not in legislative drafting but in the administration of the legislation.** It is here that President Truman, by his intemperate and unbalanced denunciation of the Taft-Hartley bill as "unfair," "unworkable," etc., has created such a desperately difficult situation.

It is perhaps not too much to say that, in effect, he issued an invitation to organized labor—which had given its acceptance in advance—to join with him in demonstrating that the Taft-Hartley law won't work. And he did this in spite of the fact that he is in a key position (if not the key position) in carrying out the terms of the bill. For example, he must appoint the members of the National Labor Relations Board. He also appoints the general counsel of the board who will direct virtually all of its activities except those of a quasijudicial sort.

How, in the light of his pronouncements about the worthlessness of the bill, the President can, in good conscience, ask good men to administer the law is hard to see. How he can get good men to accept is even harder to see. Indeed, how the country will work its way out of the jam

into which the President forced it by becoming extreme partisan of organized labor in acting on the Taft-Hartley bill is anything but clear at the moment. There are two things, however, which might help—one within the province of management, the other within the province of government.

• **The cue for management is clearly to go slowly and carefully in seeking recourse to the provisions of the Taft-Hartley law, and when such recourse is sought, to make sure that the case is a strong one.** There are inevitable many provisions of the Taft-Hartley law the precise meaning of which is subject to debate. If every debate were promptly converted into a law suit the new labor law could indeed create the lawyers' paradise which some have predicted.

By all odds the best way for management to make law work is to make as little use of it as possible, and to limit the use to cases where the occasion to seek redress by law is completely convincing. There never was a better time than right now to give collective bargaining every possible chance to succeed. Recourse to law remains the worst way to settle a labor dispute.

The thing that the government might do to create an atmosphere in which the Taft-Hartley law would have the chance it deserves, is to get the joint congressional committee on labor-management relations, provided for by the law, set up and into effective action fast. Happily that is a performance which lies exclusively within the province of Congress. It cannot be undercut by the President.

Usually when a continuing committee is created to check on the administration of a highly controversial law (that's one of the duties of the joint committee) it follows up as the heat of the controversy wanes. In the case of the Taft-Hartley law, however, the President has, in effect, urged organized labor to keep the controversy steamrolling. Consequently it becomes crucially important to have the joint committee continuously informing the country about administrative developments.

• **Also the Taft-Hartley law does nothing about some of the most crucial governmental problems in the field of labor relations, such as the application of the antitrust laws to such relations.** The joint committee has an assignment of major national importance in digging into such problems, and coming up with sensible solutions.

In the tortuous process of putting labor relations in the United States back on an even keel, passage of the Taft-Hartley bill marks the successful ending of an extremely difficult chapter. Unfortunately, President Truman has managed it that it may mark the beginning of an even more difficult chapter. The course of management should be shaped accordingly.

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